

1 UNITED STATES DISTRICT COURT
2 FOR THE DISTRICT OF MASSACHUSETTS

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U.S. DISTRICT COURT
DISTRICT OF MASS

3 _____
4)
5 KARL V. FARMER,)

6 Plaintiff,)

7 v.)

CIVIL ACTION NO. 1:04-cv-00441-SM

8 NEAL D. GOLDMAN)

9 Defendant.)

05-10117-RGS

10 _____)
11 **AMENDED COMPLAINT**

12 **STATEMENT OF JURISDICTION**

13 Neal D. Goldman was the executive vice president, general counsel, chief administrative
14 officer and corporate head of the Human Resources at Polaroid Corporation during the
15 time of this issue. Neal was the plan administrator or committee chairman in the event of
16 plan administration by committee for health, welfare, severance benefit and retiree
17 benefit plans for Polaroid Corporation. As such Neal had a fiduciary responsibility to
18 notify/alert potential beneficiaries that a benefit that the beneficiary had been promised
19 would not be available.

20 **BACKGROUND**

21 In July of 2001 Karl V. Farmer (Karl), Polaroid ID# 11642C, was notified by his
22 manager, Craig Gustafson, that his position of manager in the Customer Services
23 organization was to be eliminated as of the end of September, 2001. He was also notified

1 that because of his age (54.7 years) and years of service (30.27 years) the severance
2 program that was available would consider Karl a "cross-over" retiree and Polaroid
3 would consider him a bone a fide retiree.

4 Karl was informed of his options:

5 Leave Polaroid under the severance program with the benefits (see Exhibit A – letter of
6 severance) plus 6 months medical and dental coverage at Polaroid employee rates, then
7 medical coverage at retiree rates thereafter.

8 or

9 Find other employment within Polaroid in another division or department.

10 Karl was also informed of an available comparable level engineering position in
11 Polaroid's Wayland building. The job had been vacated voluntarily and needed to be
12 filled. On September 11, 2001, Karl interviewed with Diego Betancourt and was told if
13 he decided to remain in Polaroid he could have the job.

14 Needing more input Karl had discussions with his managers and the human resource
15 representative but they had no new information.

16 During the summer there had been a number of rumors that Polaroid was going into
17 bankruptcy and/or was going to be purchased and merge with Gillette, Fuji or some other
18 company. In mid-August Polaroid senior management conducted a series of meetings
19 across the company to clarify the corporation's position.

20 At the meeting Karl attended in 201 Burlington Rd., Bedford, MA on or about August 15,
21 2001, Neal Goldman, vice president and head of corporate Human Resources
22 organization was the officer who gave the presentation.

23 The main inputs given at the meeting via presentation or answers to questions were:

1 Statement from presenter: Polaroid had no intentions at that time to file for bankruptcy.
2 Although because of Polaroid's adverse financial position bankruptcy protection may be
3 a viable option at some time. (no time frame or deadline given)

4 Statement from presenter: As far as our financial position regarding our debtors, we have
5 them where we want them. They have to come to us.

6 Question from the floor: If I accept a severance package and Polaroid files chapter 11 do
7 I still get my severance money?

8 Answer: As far as he (Neal D. Goldman) knew, if Polaroid did file for bankruptcy the
9 court would allow the payment of severances. (Polaroid's choice would be to pay
10 benefits even if Polaroid did file for bankruptcy protection)

11 Other issues effecting Karl's decision:

12 Polaroid's severance programs had been significantly reduced over the last 4 – 5 years.
13 Previous programs would have yielded as much as 2.5 years pay with Karl's seniority.
14 The most recent program, less than a year previous, was 25% more pay for the same
15 seniority.

16 Karl had thought of teaching school. With the severance money he could avail himself of
17 the necessary training or certificates needed to do so.

18 All options considered Karl made the decision to accept the severance program and leave
19 Polaroid. The severance termination of employment date was September 28, 2001. The
20 sign-out date was two (2) weeks prior to termination date.

21 **TERMINATION OF SEVERANCE PLAN**

22 On October 11, 2001 Karl was to receive his first payment. Karl called Polaroid to
23 inquire whether the payment would be by check or automatic deposit into his checking

1 account. He was told at that time it would be deposited if he had his regular paycheck
2 deposited. However, people had been calling in complaining that they had not received
3 their checks. The following day, October 12, 2001 Polaroid announced they had filed for
4 chapter 11 bankruptcy protection. They also announced they were terminating all retiree
5 health and welfare benefits, effective immediately.

6 Recalling the August meeting in which Neal Goldman said to his knowledge severances
7 where paid during bankruptcy, Karl called to inquire what that meant for his severance
8 plan agreement. Karl was told the agreement was null and void and not going to be
9 upheld by Polaroid. After leaving Polaroid under a severance agreement in September,
10 Karl ended up getting no salary, no severance, no health insurance and neither interim life
11 nor dental insurance as promised.

12 **ARGUMENT**

13 This was a breach of fiduciary responsibility of the plan administrator, Neal Goldman.
14 Had Polaroid's plan administrator executed his fiduciary responsibility and notified Karl
15 that they had intended to file for bankruptcy protection and/or that Polaroid was not going
16 to honor the severance agreement, Karl would have accepted the position in Wayland.

17 Because the position that was offered to Karl is still an active position in the "new"
18 Polaroid, Karl would have maintained his salary and benefits and would still be an active
19 Polaroid employee. Also for that consideration is the likelihood Karl would have
20 received performance bonuses given to "the new" Polaroid's employees in the last two
21 years.

22 **EVIDENCE**

1 Karl served as Chair of Official Committee of Retirees of Polaroid as recognized by the
2 federal bankruptcy court processing Polaroid's bankruptcy protection case and as the
3 chair Trustee of the Polaroid Retirees Trust. In this capacity and independently learned
4 that:

- 5 • Polaroid was in fact discussing bankruptcy at least as far back as June 2001
- 6 • The law firm that performed the legal counsel for Polaroid during the chapter 11
7 bankruptcy protection proceedings was hired in July of 2001.
- 8 • In August 2001 Polaroid offered past Polaroid Corporate officers a % on the
9 dollar buy-out for their interest in the company.
- 10 • On or about October 7, 2001 Polaroid met with the Polaroid Retirees Association
11 (PRA) board of directors to notify them that Polaroid was terminating all retirees'
12 health and welfare benefits as of October 31, 2001. (This apparent gesture of
13 good faith turned out to be another misrepresentation by Polaroid. They
14 terminated the benefits as part of their chapter 11 bankruptcy filing on October
15 12, 2001, retroactive to October 1, 2001, without further notice to the PRA.)

16 During the committee's investigation of Polaroid's process of declaring chapter 11, with
17 Greenberg Traurig, Karl learned that the breach of fiduciary responsibility actually had in
18 fact occurred.

19 From the deposition of Neal Goldman Tuesday, April 2, 2002, by Greenberg Traurig,
20 LLP at One International Place, Boston, Massachusetts.

- 21 • On pages 54 and 55 Neal Goldman admits that Skadden Arps Slate
22 Meagher & Flom LLP was hired in July/August of 2001 to assist Polaroid
23 through restructuring, i.e. chapter 11 bankruptcy protection.

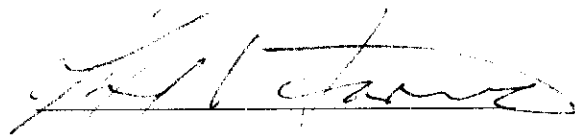
- On pages 99 – 101 Neal Goldman discusses the details of the involuntary severance plan and the employees' options. Also discussed were the erosion of benefits from past to present severance plans.
- On page 102 – 104 Neal Goldman admits that he did not execute his fiduciary responsibility to notify employees or retirees that their benefits were to be severed.
- On pages 107 and 108 Neal admits to being a fiduciary.

SETTLEMENT REQUEST

Karl had this salaried position offer and was misled by the information given by Neal Goldman Polaroid's presenter at the August meeting. Karl should be entitled to receive all wages and performance bonuses that would have been paid and the medical payments made by Karl for the last 3 years.

Karl V Farmer is moving for a settlement against Neal D. Goldman for the breach of fiduciary responsibility of \$750,000.00 or whatever relief this court deems appropriate.

KARL V. FARMER



30 Sawyer Rd.

Hampstead, NH 03841

(603) 329-1165

Dated: March 2, 2005

1 Cc: to Neal D. Goldman
2 By his attorney,
3 Michael R. Pontrelli
4 Foley & Lardner, LLP
5 111 Huntington Avenue
6 Boston, Massachusetts 02131
7 (617) 342-4000

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EXHS. 1 - 9

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In Re:) Chapter 11
Polaroid Corporation, et al.) Case 01-10864 (PJW)
Debtors) Jointly Administered

Deposition of Neal D. Goldman
Tuesday, April 2, 2002
Greenberg Traurig, LLP
One International Place - 3rd Floor
Boston, Massachusetts

----- J. EDWARD VARALLO, RMR, CRR -----
COURT REPORTER
K. L. GOOD & ASSOCIATES, BOSTON, MASS.
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15 Counsel for the Official Committee of Retirees of 16
Polaroid Corporation:

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14

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23 * NOTE: Not present at beginning of deposition.
24

MORNING SESSION

9:43 a.m.

NEAL D. GOLDMAN,

having been first duly sworn on oath,
was examined and testified as follows:

EXAMINATION

BY MR. GREENBERG:

Q. Would you state your full name and your
residential address, please.

A. Neal David Goldman, 6 Carroll Drive,
Westborough, Massachusetts.

Q. And, Mr. Goldman, are you employed?

A. Yes.

Q. By whom?

A. Polaroid Corporation.

Q. And how long have you been employed by
Polaroid?

A. About four and a half years.

Q. What position do you hold with Polaroid?

A. Executive vice president, general counsel,
chief administrative officer.

MR. GALARDI: Gary, before we go on, I

5

1 just want to make it clear again this is all under a
2 confidentiality agreement and sealed until we can
3 work out what parts go into the record, et cetera.
4 Everybody here is a party to a confidentiality
5 agreement. We're working one out with the law firm
6 of Greenberg Traurig.

7 So with that understanding, and we will
8 hopefully work out Thursday what can and what cannot
9 go in.

10 MR. GREENBERG: That's fine.

11 MR. GALARDI: Thank you.

12 BY MR. GREENBERG:

13 Q. Do you hold any other positions within
14 Polaroid?

15 A. I'm the secretary as well.

16 Q. Anything else?

17 A. I am chair of the plan administrator for
18 the pension plan.

19 Q. I'm sorry. What was that?

20 A. Plan administrator for the pension.

21 Q. And how long have you held the position of
22 chairman of the plan administrator, did you say?

23 A. Right.

24 Q. Is that a separate committee or you just

1 hold the position of chairman?

2 A. No, it's a committee.

3 Q. And you are chairman of that committee?

4 A. Yes.

5 Q. How long have you held that position?

6 A. I believe since somewhere in the summer of
7 2001. I don't remember the exact date.

8 Q. Who held the position before?

9 A. Harvey Greenberg.

10 Q. Who was on the committee at the time
11 Mr. Greenberg was the chairman, just immediately
12 prior to your ascending to that position?

13 A. I don't know.

14 Q. Were you on the committee?

15 A. No.

16 Q. Presently is there a committee that
17 encompasses this plan administrator, plan
18 administration?

19 A. Yes.

20 Q. Who is on that committee?

21 A. Don Halstead, Deirdre Evans, Janet Cramer,
22 Connie McGillivray.

23 Q. Are all those four people employees of
24 Polaroid currently?

1 A. Yes.

2 Q. Have they been on this committee since you
3 ascended to the chairmanship?

4 A. Yes.

5 Q. Just as you understand it, what are the
6 duties and responsibilities of that committee?

7 A. That committee administers the pension,
8 dealing with appeals, and makes recommendations
9 regarding the pension to management.

10 Q. When you say the pension, are there any
11 other areas that that committee administers?

12 A. It also makes recommendations to the
13 company on other areas of medical benefits.

14 Q. As it relates to retirees or as it relates
15 to active employees also?

16 A. As it relates to employees.

17 Q. Pardon?

18 A. Employees.

19 Q. Just employees?

20 A. Yes.

21 Q. As I understand, prior to when you took
22 this chairmanship you were not involved as a member
23 of the committee. Is that right?

24 A. That's correct.

1 Q. As of the summer of 2001, did Polaroid
2 provide benefits for retirees?

3 A. Yes.

4 Q. And what benefits did it provide
5 generically?

6 A. It provided retiree medical benefits and
7 life insurance benefits.

8 Q. Was there a committee that was responsible
9 for overseeing those benefits, a committee at
10 Polaroid?

11 A. I don't know.

12 Q. You don't know?

13 A. Don't know.

14 Q. How long have you been general counsel of
15 Polaroid?

16 A. Since September of '99.

17 Q. And how long have you been secretary of
18 Polaroid?

19 A. Since September of '99.

20 MR. GREENBERG: Could we mark this as
21 Goldman Exhibit 1, a document which is Bates-stamped
22 PRD-EC-001134 through 50.

23 (Goldman Deposition Exhibit 1 marked for
24 identification.)

1 BY MR. GREENBERG:

2 Q. Mr. Goldman, can you identify what has
3 been marked as Goldman Exhibit 1?

4 A. (Pause) It's a summary of Polaroid
5 benefits.

6 Q. As of when, sir?

7 A. 2001.

8 Q. Do you know who prepared the document?

9 A. No, I don't.

10 Q. Do you know as of what date in 2001 this
11 is applicable?

12 A. No, I don't.

13 Q. This is a document you've seen before,
14 though. Right?

15 A. Yes.

16 Q. If you could turn to the fifth page of the
17 document where it says Polaroid Retiree Medical. Do
18 you see that?

19 A. Yes.

20 Q. Prior to October 9, 2001, what were the
21 benefits that Polaroid provided its retirees,
22 medical benefits?

23 A. It offered retirees the opportunity to
24 participate in the Polaroid medical plans for those

1 between 55 and 65 and it provided an eligibility in
2 supplemental plans for those over 65.

3 Q. And did Polaroid provide any funding for
4 those retirees as it related to their participation
5 in those plans?

6 A. Yes.

7 Q. And do you recall what the funding levels
8 were that Polaroid provided to retirees between the
9 ages of 55 and 65?

10 A. In what time frame?

11 Q. Prior to October; the period immediately
12 prior to October 9, 2001.

13 A. I believe the company provided a 50
14 percent subsidy for retiree medical benefits.

15 Q. And when you say a 50 percent subsidy,
16 what do you mean by that?

17 A. The company contributed 50 percent of the
18 cost of retiree health coverage and the participant
19 retiree paid the other 50 percent.

20 Q. And how about with respect to retirees
21 over the age of 65? Did Polaroid provide any
22 subsidy?

23 A. My understanding is it was the same
24 subsidy.

1 Q. On the document with the Bates stamp
2 PRD-EC-001138, which is part of Exhibit 1, there's a
3 reference to annual company cash. Do you see that,
4 for 2001? You see that?

5 A. Yes.

6 Q. What do you understand that to refer to?

7 MR. GALARDI: I'm sorry. Could you just
8 tell me what page you're referring to?

9 MR. GREENBERG: Page 5 of Exhibit 1.

10 BY MR. GREENBERG:

11 Q. Under the entry annual company cash
12 there's some amounts there. What do you understand
13 that to refer to?

14 A. I'm sorry. I lost the thread. Ask me the
15 question again, please.

16 Q. The medical program for retirees, what was
17 the cost to Polaroid to fund that medical program on
18 an annual basis prior to the termination?

19 A. My understanding was it was approximately
20 \$15 million.

21 Q. Now, the committee that you were chairman
22 of, did it have any involvement in calendar 2001 in
23 considering Polaroid retiree medical benefits?

24 A. Not that I'm aware of.

1 Q. Did you in any capacity at Polaroid have
2 any involvement in calendar 2001 in consideration of
3 Polaroid retiree medical benefits?

4 A. Yes.

5 Q. And when did you have first involvement in
6 that subject?

7 A. I can't place the timing. Sometime in
8 2001 there were discussions about reducing the cost
9 of medical benefits.

10 Q. What season was that?

11 A. I'm not sure when those discussions
12 started.

13 Q. Was it prior to you becoming chairman of
14 the -- What was the name of the committee you were
15 chairman of?

16 A. Plan administrator.

17 Q. Plan administrator. Was it prior to you
18 becoming chairman of the plan administrator?

19 A. I believe it was.

20 Q. And what was your role in those
21 discussions?

22 A. I recall senior management discussions
23 about ways to reduce costs in general, and one of
24 those discussions focused on the cost of benefits.

1 Q. Was this a board meeting where it was

2 discussed?

3 A. I wasn't referring to a board meeting. I
4 was referring to an executive committee meeting.

5 Q. When you say an executive committee
6 meeting, who attended that meeting?

7 A. These were senior management meetings that
8 were held by the CEO, CFO, general counsel, senior
9 vice president of global operations, senior vice
10 president research and development.

11 Q. And one of the topics that was discussed
12 was the cost of providing medical insurance to
13 retirees. Is that correct?

14 A. Yes.

15 Q. And this was a meeting that took place
16 sometime prior to July of 2001?

17 A. I believe it did.

18 Q. Did the subject of the possibility of
19 eliminating those benefits come up at that time?

20 A. I believe it did.

21 Q. Who raised that subject?

22 A. I don't recall who raised the subject.

23 Q. What was discussed on that subject, the
24 subject of the possibility of eliminating retiree

1 medical benefits?

2 A. I don't recall exactly. I think it was
3 proposed as the benefit and the cost of providing
4 the benefit, along with other items that were put
5 up.

6 Q. Well, did someone raise the possibility
7 that maybe we should eliminate these retiree medical
8 benefits in total?

9 A. No. Not the way you posed that question,
10 no.

11 Q. What was said on that subject?

12 A. As I recall, data was produced that showed
13 the cost of various portions of the benefits that
14 Polaroid provided.

15 Q. And the data would have included that it
16 was costing Polaroid approximately \$15 million
17 during calendar 2001 for retiree medical benefits.
18 Is that correct?

19 MR. SAUNDERS: Objection to the form of
20 the question.

21 A. I don't recall the number that was put up
22 at the time of that discussion.

23 Q. But there was a number that was put up
24 which indicated the cost to Polaroid of providing

1 medical benefits to retirees. Correct?

2 A. Yes.

3 Q. Was there a discussion about the
4 possibility that Polaroid might eliminate that
5 benefit as a cost-saving device?

6 A. At what point in time?

7 Q. At the point of this meeting that took
8 place, this executive committee meeting sometime
9 prior to July of 2001.

10 A. I don't recall.

11 Q. Well, what do you recall being said on
12 that subject?

13 A. I recall that the costs of certain
14 benefits were presented. I don't recall specific
15 discussion about terminating the benefits.

16 Q. When you say certain benefits, are you
17 talking about retiree benefits?

18 A. The discussion was not focused entirely on
19 retiree benefits. We talked about retiree benefits,
20 talked about current employee benefits. It was a
21 review of benefit programs and costs.

22 Q. Did the review include a review of retiree
23 benefits?

24 A. I believe it did.

1 Q. Were there minutes taken of these
2 meetings? Does the executive committee take minutes
3 of its meetings?

4 A. No.

5 Q. Was there a written presentation of any
6 data at that meeting?

7 A. There may have been. I don't recall.

8 Q. And other than recalling that this took
9 place sometime prior to July of 2001, you can't be
10 any more specific about when this subject came up?

11 MR. SAUNDERS: Object to the form of the
12 question.

13 A. I don't recall when that meeting took
14 place.

15 Q. Was it your impression or understanding at
16 the time of this meeting that one of the subjects
17 that Polaroid was looking at was the possibility of
18 eliminating retiree medical benefits?

19 A. No.

20 Q. What did you understand then was the
21 purpose of reviewing this data as it related to
22 retiree medical benefits?

23 A. To understand the costs and to help the
24 company develop a budget for the year and determine

1 what if any changes would be made to benefits.

2 Q. And when you say help the company develop
3 a budget for the year, what year are you talking
4 about?

5 A. 2001.

6 Q. 2001 fiscal year or calendar year or is
7 there a difference? Strike that.

8 A. The same.

9 Q. The same. So this meeting took place
10 sometime prior to the establishment of the 2001
11 budget. Is that right?

12 A. Probably. I can't place it. Probably.

13 Q. And Polaroid in its normal operations,
14 when would it be establishing the next year's
15 budget?

16 A. Sometimes it's after the beginning of the
17 year they get finalized, so it could have been after
18 the first of the year; it could have been late in
19 the year before.

20 Q. Is it a fair statement, an accurate
21 statement that you believe this meeting would have
22 taken place either in the last quarter of 2000 or
23 the first quarter of 2001, in that six-month window?

24 A. Yes.

1 Q. Was there a budget that Polaroid in fact
2 approved for calendar 2001?

3 A. Yes.

4 Q. And that budget was to carry right till
5 the end of 2001; in other words, December 31, 2001.
6 Right? I'll rephrase the question. You said before
7 that Polaroid establishes an annual budget. Is that
8 right?

9 A. Yes.

10 Q. And by an annual budget, you mean a budget
11 that will last for a calendar year. Right?

12 A. Yes.

13 Q. And did Polaroid establish an annual
14 budget for calendar year 2001?

15 A. Yes.

16 Q. And did that annual budget have a
17 calculation as far as retiree benefits?

18 A. Yes.

19 Q. Do you recall approximately the amount
20 that was calculated for retiree benefits for
21 Polaroid's calendar 2001?

22 A. No. I don't think I would have seen it as
23 a line item.

24 Q. But just so I'm clear, the budget for 2001

1 didn't calculate retiree benefits for nine months,
2 did it? It calculated them assuming they were going
3 to get them for twelve months. Isn't that right?

4 A. I believe that's correct.

5 Q. Now, does Polaroid publicize in any way
6 its annual budget?

7 A. I don't know what you mean, publicize.

8 Q. Well, does it put it in any SEC filings?
9 Does it announce to its employees that we've
10 approved the budget for the calendar year?

11 A. We wouldn't file it with the SEC. We
12 might have -- I don't recall -- we might have
13 presented some yearly targets to employees. I don't
14 recall.

15 Q. Now, when you say yearly targets, that's
16 projected income and expenses. Right?

17 A. Yes.

18 Q. You would agree with the statement that
19 Polaroid's budget for calendar 2001 when it was
20 approved included as an expense Polaroid retiree
21 medical benefits for the entire calendar year?

22 A. I don't know that as a fact. I didn't
23 develop the budget.

24 Q. Well, sir, do you have any reason to

1 believe that it didn't include retiree medical
2 benefits as a cost item for the entire twelve-month
3 period?

4 MR. SAUNDERS: Object to the form of the
5 question.

6 A. No.

7 Q. Now, at any point in time did you hear
8 anyone to your knowledge at Polaroid prior to the
9 end of September 2001 announce that Polaroid had
10 adopted a revised operating budget for calendar 2001
11 that reflected less money -- I'm sorry -- reflected
12 an elimination of retiree medical benefits for the
13 last quarter?

14 A. I'm sorry. Could you repeat that?

15 Q. Bad question. Let me rephrase it.

16 At any point in the first nine months of
17 calendar 2001, are you aware of Polaroid announcing
18 that it had revised its calendar-year budget to
19 reflect the elimination of retiree medical payments
20 for the last quarter? And I'm just focusing on the
21 first nine months.

22 A. No.

23 Q. Now, in the first six months of calendar
24 2001 did you have any other discussions with anyone

1 at Polaroid about the possibility of eliminating
2 Polaroid retiree medical payments?

3 A. I don't recall.

4 Q. When is the first discussion you recall
5 about the possibility of eliminating Polaroid
6 retiree medical payments?

7 A. Sometime early in the summer of 2001.

8 Q. And in what context was that discussion?

9 A. We were reviewing the cost of medical
10 benefits; we were reducing the subsidy for the
11 company contribution to the employee plan, the
12 employee medical benefits. And at that time we were
13 looking at the cost of retiree benefits and there
14 was a discussion about whether or not to eliminate
15 retiree medical coverage or reduce the subsidy to
16 retirees.

17 Q. Was this a management discussion, a board
18 discussion? What context?

19 A. I'm referring to a management discussion.

20 Q. This was in executive committee?

21 A. I don't remember if it was in executive
22 committee or a smaller meeting. I just have a
23 recollection of the discussion in general terms.

24 Q. Being in the early summer of 2001?

1 A. Yes.

2 Q. Who do you recall discussing it with?

3 A. I believe I had discussions with Bill
4 Flaherty.

5 Q. Mr. Flaherty holds what position?

6 A. Chief financial officer.

7 Q. And he held that position at the time?

8 A. I think he had just joined us.

9 Q. Who else?

10 A. Gary DiCamillo, CEO. These may have been
11 different conversations. I'm not suggesting this
12 was one meeting. Louise Cavanaugh.

13 Q. What position?

14 A. Louise is associate general counsel. Mary
15 Kelly.

16 Q. And what position does she hold?

17 A. At that time she was manager of
18 compensation and benefits. That's what I recall.

19 Q. Who raised the possibility of eliminating
20 retiree medical benefits payments by Polaroid?

21 A. I don't recall who raised it, but Mary
22 Kelly was -- I don't recall who raised it.

23 Q. Well, you didn't raise it. Right? That
24 wasn't your idea?

1 A. I'm not suggesting it was anybody's idea.
2 The company was examining ways to reduce costs.

3 Q. Were there any written documents that
4 reflected that consideration of eliminating retiree
5 medical payments?

6 A. I don't recall if there were documents
7 specific to that.

8 Q. Were there discussions about the pros and
9 cons of eliminating medical benefits for retirees?

10 A. I don't recall a discussion of the pros
11 and cons.

12 Q. Well, what do you recall Mr. Flaherty said
13 on the subject?

14 A. We were examining the cost impact of these
15 benefits and whether or not we could afford to
16 continue them.

17 Q. Did Mr. Flaherty make any recommendation?

18 A. I don't recall a specific recommendation.
19 I recall discussions.

20 Q. Well, do you recall generally what he said
21 on that subject? Other than going through the
22 numbers and saying what it cost, do you recall
23 anything that Mr. Flaherty said about whether this
24 was a good idea or a bad idea, to eliminate these

1 benefits?

2 A. No, I don't.

3 Q. Is it that you don't recall or he didn't
4 make any comment on that subject?

5 A. I don't recall what he said.

6 Q. How about Mr. DiCamillo? Did he say
7 anything on this subject of eliminating retiree
8 benefits?

9 A. Yeah, he very much wanted to find a way
10 not to eliminate the retiree medical benefits.

11 Q. He told you that?

12 A. Yes.

13 Q. This is back in the early summer of 2001?

14 A. Yes.

15 Q. Did he say why he very much wanted to find
16 a way not to eliminate these retiree benefits?

17 A. Because he felt that the retirees were
18 former employees and he was sympathetic to their
19 financial needs.

20 Q. Did he ever use the word that these were
21 benefits that had been promised these people?

22 A. No, not to my knowledge.

23 Q. Did he ever indicate to you that he
24 thought these retirees were in a vulnerable

1 Q. When did she give this advice?

2 A. On an ongoing basis.

3 Q. Well, when was the initial time she gave
4 advice?

5 A. I don't recall specifically.

6 Q. Was it sometime early summer of 2001?

7 A. I believe it was.

8 Q. So if I understand, Ms. Cavanaugh gave
9 advice in early summer of 2001 on the issue of
10 whether or not Polaroid could eliminate retiree
11 benefits. Is that right?

12 A. I don't think that's what I said.

13 Q. Well, what was the subject that she was
14 giving advice on in the early summer of 2001 as it
15 related to retirees?

16 MR. SAUNDERS: Just so you understand, you
17 can disclose the subject matter generally of matters
18 on which you received advice but you should not
19 disclose the substance of the advice. Do you
20 understand that?

21 THE WITNESS: Yes.

22 A. She advised as to Polaroid's rights and
23 responsibilities under the medical plans in effect.

24 Q. Was one of the subjects that she gave

1 advice on the subject of whether or not Polaroid in
2 her view could terminate the retiree medical
3 payments?

4 MR. SAUNDERS: Answer that yes or no or "I
5 don't know" or "I don't recall."

6 A. Yes.

7 Q. And she gave that advice in the early
8 summer on that subject?

9 A. I believe so.

10 Q. So if I understand it, as early as the
11 summer of 2001 Polaroid was asking its in-house
12 counsel whether or not it had the ability legally to
13 terminate these benefits?

14 MR. SAUNDERS: Instruction not to answer.

15 BY MR. GREENBERG:

16 Q. Did Polaroid ever advise its retirees that
17 in the early summer of 2001 its counsel was
18 considering whether or not it had the right to
19 terminate these retirement plans?

20 A. First of all, what you've just stated is
21 not what I stated. I never said that we asked for
22 advice on terminating the medical plan.

23 Q. Was Ms. Cavanaugh given the assignment to
24 determine whether or not Polaroid could terminate

1 the retiree benefits?

2 MR. SAUNDERS: Instruction not to answer.

3 BY MR. GREENBERG:

4 Q. What was the advice Ms. Cavanaugh provided
5 in the early summer of 2001?

6 MR. SAUNDERS: Instruction not to answer.

7 MR. GREENBERG: Just so it's clear, it
8 would be our position that we could argue negative
9 inference; that to the extent you assert privilege,
10 that the response would be something that would be
11 detrimental to your interests. I just want to put
12 that on the record, that that may in fact be our
13 argument.

14 MR. SAUNDERS: Well, good luck with it.
15 The privilege would be pretty useless if a negative
16 inference could be drawn from its assertion. And
17 it's a pretty clear principle of law. Although I'll
18 remember that next time I'm advising a client to
19 assert the privilege.

20 BY MR. GREENBERG:

21 Q. Mr. Goldman, other than what you claim are
22 privileged discussions, did Ms. Cavanaugh say
23 anything to you or other members of Polaroid
24 concerning her views on the elimination of retiree

1 medical plans?

2 MR. SAUNDERS: Can you read that back,
3 please.

4 (The reporter read the question.)

5 MR. SAUNDERS: I guess I will repeat my
6 instruction to you, that if there's something that
7 you think was said which did not constitute a
8 rendition of legal advice or a communication that
9 was made to facilitate the rendition of legal
10 advice, then you can try to answer.

11 A. I don't know.

12 Q. You can't recall any?

13 A. You asked me if she made statements to me
14 or anyone else. I don't know about statements to
15 anyone else.

16 Q. How about to you or where you were
17 present, in your presence?

18 MR. SAUNDERS: You have my continuing
19 instruction in mind?

20 THE WITNESS: Yes.

21 A. No.

22 Q. Mary Kelly, did she say anything in your
23 presence concerning the subject of the possibility
24 of eliminating retiree benefits as of early summer

1 2001?

2 A. My recollection is she only produced
3 factual data.

4 Q. Now, the document in front of you is
5 entitled Polaroid Benefit Plans 2001. Do you see
6 that?

7 A. Yes.

8 Q. Looking at the document, do you have any
9 idea as to when this may have been prepared?

10 A. No.

11 Q. If you can turn to it, I asked you to look
12 at page 5; now let me ask you to look at page 6.
13 You see at the top it says Retiree Medical - Future
14 and there's a reference under Additional Options,
15 you see number 1, "Provide coverage for over 65
16 only, eliminate 55 to 65 coverage." Do you see
17 that?

18 A. Yes.

19 Q. Was that a subject that you recall any
20 discussion on, the elimination of coverage for ages
21 55 to 65?

22 A. I have a vague memory of alternatives
23 being discussed.

24 Q. At what point in time?

1 A. Summer of 2001.

2 Q. Are these in the same context of the other
3 discussions you've talked about?

4 MR. SAUNDERS: Object to the form of the
5 question.

6 A. I'm not sure what you're referring to in
7 terms of the same discussions.

8 Q. Is there something at Polaroid called the
9 human resources committee of the board of directors?

10 A. Yes.

11 Q. What is that?

12 A. It's a subcommittee of the board of
13 directors which focuses on issues affecting human
14 resources and benefits.

15 MR. GREENBERG: Let me mark, if I can, a
16 document that was produced in this matter by I
17 believe Polaroid's counsel. It is a redacted
18 document, minutes of human resources committee of
19 the board of directors of Polaroid Corporation, July
20 3, 2001. I'm just going to mark pages 1, 2 and 4 as
21 the exhibit.

22 (Goldman Deposition Exhibit 2 marked for
23 identification.)
24 BY MR. GREENBERG:

1 Q. I'm going to show you what's been marked
2 as Exhibit 2, minutes of the human resources
3 committee. Actually, let me ask you to identify
4 Exhibit 2. What is it?

5 A. Minutes of human resources committee
6 meeting of the Polaroid board of directors dated
7 July 3, 2001.

8 Q. Now, it references a telephonic meeting of
9 the human resources committee of the board held on
10 July 3, 2001, and it lists participation in the call
11 of the following directors: a Mr. Loose. Who is
12 John Loose?

13 A. John Loose is a Polaroid director.

14 Q. Is he an employee of Polaroid?

15 A. No.

16 Q. An outside director?

17 A. Yes.

18 Q. Stephen Kaufman, who is Mr. Kaufman?

19 A. He is an outside director.

20 Q. Alfred Poe, who is he?

21 A. He's an outside director.

22 Q. And Alfred Zeien?

23 A. He's an outside director.

24 Q. And were they outside directors of

1 Polaroid as of July 3, 2001?

2 A. Yes.

3 Q. Are they still directors of Polaroid?

4 A. Yes.

5 Q. Were they also on the human resources
6 committee of the Polaroid board of directors as of
7 July 3, 2001?

8 A. Yes.

9 Q. Were you on that committee, the human
10 resources committee of the board of directors, as of
11 July 3, 2001?

12 A. No.

13 Q. Were there any other people on that
14 committee, the human resources committee?

15 A. I think there's one other -- I believe
16 there is one other committee member and I can't
17 think offhand who it is, also an outside director.

18 Q. And it also references --

19 A. I'm sorry. It references all members of
20 the committee. This is the entire committee.

21 Q. Those four people?

22 A. Yes.

23 Q. Prior to July 3, 2001, had you had any
24 discussions with either Mr. Loose, Mr. Kaufman,

35

1 Mr. Poe or Mr. Zeien about the possibility of
2 eliminating retiree medical benefit payments?

3 A. I don't believe so.

4 Q. Is this July 3rd the first time this
5 subject was discussed with those gentlemen?

6 A. What subject?

7 Q. The reduction or elimination of retiree
8 medical benefits.

9 A. Is there a reference in here to retiree
10 medical benefits?

11 Q. The second page, "Mr. Greenberg reported
12 on proposed employee and retiree benefit changes."

13 A. Right. I believe it was.

14 Q. This is the first time you discussed the
15 possibility of eliminating the retiree benefits with
16 these four people?

17 A. I'm sorry. You first asked me whether or
18 not this was the first time we talked about changes
19 to retiree benefits and now you've just said the
20 first time we talked about eliminating them. I
21 don't think we've established that we talked about
22 eliminating benefits at this meeting.

23 Q. You testified before that prior to July of
24 2001 you had discussed with executives at Polaroid

1 one possibility being eliminating these benefits,
2 retiree benefits. Isn't that correct?

3 A. Yes.

4 Q. Now, Harvey Greenberg, it says here in
5 Exhibit 2 he was a consultant. Did Mr. Greenberg
6 work at any point in time for Polaroid?

7 A. Yes.

8 Q. In what capacity?

9 A. At any point in time?

10 Q. Was he an employee of Polaroid during
11 calendar 2001?

12 A. Yes.

13 Q. What was his position?

14 A. Senior vice president human resources.

15 Q. Did that position have any responsibility
16 as it related to Polaroid retiree benefits?

17 A. Yes.

18 Q. Mr. Greenberg resigned from Polaroid
19 sometime prior to July 3, 2001. Is that correct?

20 A. Yes.

21 Q. Why did he resign, if you know?

22 A. I don't know.

23 Q. You don't know. He was given a severance
24 package, is that right, when he resigned?

1 A. Yes.

2 Q. And he was also hired back by Polaroid as
3 a consultant. Is that right?

4 A. Yes.

5 Q. Did Mr. Greenberg take a lump-sum pension
6 payout at the time of his resignation?

7 A. I believe he did.

8 Q. Do you recall the magnitude of his payout?

9 A. Hundreds of thousands of dollars. I don't
10 remember the exact number.

11 Q. What was Mr. Greenberg's salary at
12 Polaroid prior to his resignation and coming on as a
13 consultant?

14 A. I'm not sure. 260, 280.

15 Q. So he was making a little less than
16 300,000? Less than 300,000 dollars a year. Is that
17 right?

18 A. Yes.

19 Q. And he was given a severance package.
20 Right?

21 A. Yes.

22 Q. And that severance package, do you recall
23 the magnitude of the money he was getting under that
24 severance agreement?

1 A. I believe it was a two-year severance paid
2 in a stream of payments, I believe.

3 Q. A stream of payments over two years?

4 A. I believe, yes.

5 Q. And he was also hired as a consultant?

6 A. Yes.

7 Q. Was he getting paid as a consultant?

8 A. Yes.

9 Q. Do you recall approximately how much he
10 was being paid as a consultant?

11 A. I don't offhand.

12 Q. Was it \$22,500 a month? Does that sound
13 about right?

14 A. That sounds about right.

15 Q. So why did Polaroid hire -- Why did
16 Polaroid agree to pay Mr. Greenberg a severance
17 payment over a two-year period and then hire him as
18 a consultant at \$22,500 a month?

19 A. We hired him as a consultant. I don't
20 remember the term of his consulting agreement but I
21 believe it was fairly short, and we believed we
22 needed some transitional consulting advice after the

23 11.

24 Q. On what subject was he hired to be a

1 consultant?

2 A. Some human resources issues.

3 Q. What issues?

4 A. He was helping us on some compensation and
5 benefits work.

6 Q. Anything as it related to retirees?

7 A. I don't know.

8 Q. Did he have a written consulting
9 agreement?

10 A. Yes.

11 Q. How long was it to run?

12 A. I don't recall.

13 Q. Was it more than six months?

14 A. I don't think so.

15 Q. Has Mr. Greenberg been retained in
16 connection with the bankruptcy proceeding?

17 A. No.

18 Q. So does Mr. Greenberg have any ongoing
19 relationship with Polaroid since it filed its
20 bankruptcy proceeding, other than as a creditor?

21 A. I don't know. I don't know when his
22 consulting agreement ran out. I don't know if it
23 was -- I don't know if he did any work after the
24 petition was filed.

1 Q. Now, it says in Exhibit 2 that
2 Mr. Greenberg on page 2 reported on proposed
3 employee and retiree benefit changes. Do you see
4 that?

5 A. Yes.

6 Q. Was Mr. Greenberg given an assignment by
7 Polaroid as it related to retiree benefits?

8 A. My recollection is that he was asked to
9 make this report, because I had just taken over
10 responsibility from him for human resources and
11 where he had done a lot of the prior work, he was
12 asked to make this presentation. I hadn't been in
13 the job very long.

14 Q. Who asked him to make this report?

15 A. I believe Gary DiCamillo asked him.

16 Q. And when was that request made of Harvey
17 Greenberg?

18 A. I don't know.

19 Q. Was it made more than a month before this
20 meeting?

21 A. I don't know.

22 Q. What did Mr. DiCamillo ask Mr. Greenberg
23 to do?

24 A. I don't know.

1 Q. What was your understanding based upon
2 your position at the company and as a member and
3 participating in this meeting as to what
4 Mr. Greenberg had been asked to do?

5 A. Mr. Greenberg had been working on benefit
6 changes while he was an employee. My understanding
7 was that he was asked to continue to manage the work
8 he was doing and to make this presentation to the
9 board, because it was very soon after he left the
10 company.

11 Q. When you say make this presentation, did
12 Mr. Greenberg make a recommendation at this time as
13 it related to retiree benefits?

14 A. Yes.

15 Q. What was his recommendation as it relates
16 to retirees?

17 A. I don't recall specifically.

18 Q. Well, what do you recall generally his
19 recommendation was?

20 A. I believe -- I don't recall specifically.
21 I don't.

22 Q. What do you recall on the subject of his
23 recommendation?

24 A. I don't recall.

1 Q. Did he recommend that Polaroid eliminate
2 retiree benefits?

3 A. I have no recollection of him making that
4 recommendation.

5 Q. Was that discussed at this meeting, this
6 telephonic meeting on July 3?

7 A. Not to my recollection.

8 Q. Was his recommendation in writing?

9 A. It was a telephone meeting. I don't know
10 -- I don't recall if anything was circulated to the
11 board.

12 Q. Was Mr. Greenberg on the phone and you
13 were in a separate facility on the phone or was he
14 with you and Mr. DiCamillo?

15 A. I believe we were together in Cambridge.

16 Q. When you say "we," you and --

17 A. I believe Mr. DiCamillo and I and
18 Mr. Greenberg were together in Cambridge. I
19 believe.

20 Q. Do you recall anything that was said by
21 any of the participants in that meeting on July 3 on
22 the subject of retiree benefit changes?

23 A. I don't.

24 Q. Did you take any notes of the meeting?

1 A. Yes.

2 Q. Do you know whether or not those notes
3 have been -- Did you retain those notes?

4 A. No.

5 Q. When did you discard those notes?

6 A. After I do the minutes, I write the
7 minutes and I discard the notes.

8 Q. And Exhibit 2 reflects the minutes that
9 you prepared?

10 A. I can't tell if there's a redaction, but
11 yes.

12 Q. Have you ever received any written
13 proposal or recommendation from Mr. Greenberg as it
14 related to retiree benefit changes?

15 A. I don't recall a recommendation from him
16 on retiree medical benefits.

17 Q. Have you ever received any recommendation
18 from anyone at Polaroid between July 3, 2001, and
19 the bankruptcy filing concerning a recommendation to
20 change or eliminate retiree benefits?

21 A. Will you repeat the question?

22 (The reporter read the question.)

23 A. I don't recall the time frame. There was
24 a time when we reduced the subsidy for retirees from

1 80 percent to 50 percent, and that may have been
2 based on a recommendation made; I don't recall.

3 Q. Do you recall when that subsidy was
4 reduced?

5 A. Again, the summer of 2001 it was
6 discussed.

7 Q. When was it adopted?

8 A. I don't know the specific -- I don't
9 recall the specific date.

10 Q. How did you inform retirees of that
11 reduction in the subsidy?

12 A. I believe there was a mailing of the
13 change.

14 Q. To whom?

15 A. To the retirees.

16 Q. Did the mailing provide advance notice, in
17 other words, tell retirees that starting at some
18 point in the future this subsidy would change?

19 A. I believe it did.

20 Q. How much advance notice did it provide?

21 A. I don't recall specifically.

22 Q. Who was the author of that document?

23 A. I don't know who wrote it.

24 Q. Did you sign the letter?

1 A. I'm not sure.

2 MR. GREENBERG: Has that document been
3 produced?

4 MR. GALARDI: I don't know.

5 BY MR. GREENBERG:

6 Q. Now, you said there was a change in the
7 subsidy. Was there an amendment to the plan
8 documents to reflect that reduction in the subsidy?

9 A. I don't know.

10 Q. Well, you were chairman of the plan
11 committee. Right?

12 A. Yes.

13 Q. Do you know what the word fiduciary is?

14 A. Yes.

15 Q. Did you view yourself as a fiduciary in
16 that position?

17 A. Yes.

18 Q. And what did you understand as a fiduciary
19 your responsibilities were?

20 A. My responsibilities were to carry out the
21 plan for the benefit of the participants in the
22 plan.

23 Q. The participants being the retirees. Is
24 that correct?

1 A. And employees, yes.

2 Q. I'm only focusing on retirees. Did you
3 understand that you were a fiduciary for retirees?

4 A. Yes.

5 Q. And you understood that from the time that
6 you ascended to that position in the summer of 2001.
7 Is that right?

8 A. Yes.

9 Q. As a fiduciary as the chairman of that
10 committee, did you seek advice from anyone on what
11 your duties and responsibilities were?

12 A. Yes.

13 Q. And from whom did you seek advice on that
14 subject?

15 A. Louise Cavanaugh.

16 Q. But I thought you said Ms. Cavanaugh was
17 employed by Polaroid.

18 A. She is.

19 Q. Well, you wore one hat as the general
20 counsel and employee of Polaroid and you wore
21 another hat as chairman of the plan fiduciary. Is
22 that right?

23 MR. SAUNDERS: Object to the form of the
24 question.

1 BY MR. GRAY:

2 Q. Is that right?

3 A. Repeat the question, please.

4 Q. You acted both as a general counsel and
5 employee of Polaroid and at the same time you were a
6 fiduciary to the retirees as chairman of the plan
7 committee. Is that right?

8 A. Yes.

9 Q. Now, did Ms. Cavanaugh act as counsel to
10 the plan or was she -- ? Did she act as counsel to
11 the plan?

12 A. She advised the committee with outside
13 advice.

14 Q. When you say outside advice, did the
15 committee -- And when I say the plan, I'm talking
16 about the plan to provide retirees with benefits.
17 Did that plan retain outside counsel who gave it
18 advice?

19 MR. SAUNDERS: Object to the form of the
20 question.

21 A. Are you talking about the plan
22 administrator?

23 Q. Yes. Did you retain outside counsel,
24 someone other than Ms. Cavanaugh, to give you advice

1 on what you could do and couldn't do?

2 A. The plan administrator was receiving
3 outside advice, yes.

4 Q. From whom?

5 A. We had advice coming I believe from Groom
6 & Associates and also from Baker & Botts.

7 Q. And, I'm sorry, the first company was
8 what?

9 A. Groom & Associates.

10 Q. What are they?

11 A. They are a law firm specializing in
12 benefits.

13 Q. Where are they located?

14 A. Washington.

15 Q. Did you deal with someone in particular
16 there?

17 A. We dealt with Bob Gallagher and Gary
18 Groom.

19 Q. Is that the --

20 A. Gary Ford.

21 Q. Is that called the Groom Law Group,
22 Chartered?

23 A. Yes.

24 Q. On Pennsylvania Avenue, Washington, D.C.?

1 A. Yes.

2 Q. And if I understand, they acted as your
3 counsel in giving you advice with respect to your
4 fiduciary obligations to retirees. Is that a
5 subject you consulted them on?

6 A. I don't recall specifically.

7 Q. Well, did you consult anyone on that
8 subject, your fiduciary duties as the plan
9 administrator to retirees?

10 A. Yes.

11 Q. Who paid the Groom Law Group fees?

12 A. The company.

13 Q. Which company?

14 A. Polaroid.

15 Q. Now, you also said Baker & Botts. Did you
16 also consult with them on that subject, the subject
17 of your fiduciary duties as plan administrator to
18 retirees?

19 A. I'm not sure if we consulted with them on
20 fiduciary duties.

21 Q. Who at Baker & Botts -- Are you familiar
22 with a gentleman, James Raborn?

23 A. No.

24 Q. Could you just explain why is it that

1 Polaroid paid the Groom law firm fees for advice it
2 gave you as plan administrator?

3 MR. SAUNDERS: Object to the form of the
4 question.

5 A. We thought it was appropriate for the
6 company to pay that.

7 Q. When you say "we," who is the we?

8 A. The company, Polaroid.

9 Q. Did you consult with the Groom Law Group
10 in connection with the attempt or the purported
11 termination of the retiree plan?

12 A. I'm not sure. What purported termination
13 of the retiree plan?

14 Q. Does Polaroid claim that it terminated the
15 retiree medical plan?

16 A. I'm sorry. I thought you said --

17 Q. At any point in time did Polaroid
18 terminate its medical benefits for retirees?

19 A. Yes.

20 Q. And in your capacity as plan
21 administrator, did you consult with the Groom Law
22 Group on that subject?

23 A. I don't recall.

24 Q. Well, did you consult with anyone on that

1 subject, any lawyers?

2 A. Did the plan administrator consult with
3 any lawyers?

4 Q. Well, you were the plan administrator.
5 Right?

6 A. I just want to be clear.

7 Q. And I just want to be clear too. You were
8 the plan administrator?

9 A. Yes.

10 Q. You were a fiduciary to all the retirees,
11 the plan participants. Right?

12 A. Repeat the question again, please.

13 Q. Did you understand that you were a
14 fiduciary to the retirees, Polaroid's retirees?

15 A. Yes.

16 Q. And if I understand, as the plan
17 administrator you took some action attempting to
18 terminate the plan.

19 A. The plan administrator doesn't terminate
20 the plan.

21 Q. Did you take any action to terminate the
22 plan?

23 A. Did I personally?

24 Q. Yes, in your role as plan administrator.

1 A. The plan administrator did not terminate
2 retiree medical.

3 Q. Who terminated the retiree medical?

4 A. The board of directors.

5 Q. Of Polaroid?

6 A. Yes.

7 Q. Did they consult with you before they did
8 that?

9 A. Yes.

10 Q. In your capacity as a member of the board
11 of directors, did you consult with outside counsel
12 on that subject?

13 MR. SAUNDERS: Object to the form of the
14 question.

15 A. I am not a member of the board of
16 directors.

17 Q. I'm sorry. As general counsel.

18 A. Repeat the question, please.

19 Q. Did you consult with any outside law firm
20 on the subject of the board of directors' attempt to
21 terminate the plan, the retiree plan?

22 MR. SAUNDERS: Object to the form of the
23 question.

24 A. I don't understand the word attempt to

1 terminate.

2 Q. Did you discuss with anyone -- I'll back
3 up. Can you tell me why Groom Law Group was paid
4 \$50,000 on October 4, 2001?

5 A. Yes.

6 Q. And what was that for?

7 A. That was for legal advice.

8 Q. In connection with what?

9 A. The company's benefit plan.

10 Q. Was that advice that had been rendered or
11 advice that was about to be rendered?

12 A. I don't recall.

13 Q. You approved that bill, though?

14 A. Yes.

15 Q. Now, between July 3 and the first week of
16 October -- Strike that. After July 3, 2001, when
17 was the next time you participated in any
18 discussions concerning the possibility that the
19 retiree medical plan might be terminated?

20 A. I don't recall.

21 Q. When do you recall next participating in
22 any discussion on that subject?

23 A. I'm sorry. The subject of?

24 Q. The possibility of eliminating retiree

1 medical benefits.

2 A. I don't recall specifically.

3 Q. Prior to the bankruptcy filing do you
4 recall having any discussion with anyone about the
5 possibility of terminating retiree benefits, between
6 July 3 and the bankruptcy filing?

7 A. Yes.

8 Q. With whom?

9 A. Louise Cavanaugh.

10 Q. Who else?

11 A. Bill Flaherty.

12 Q. Who else?

13 A. Gary DiCamillo.

14 Q. Who else?

15 A. Mary Kelly, Gary Ford of Groom &
16 Associates, David Kurtz of Skadden Arps, Gregg
17 Galardi of Skadden Arps.

18 Q. When was Skadden Arps retained?

19 A. I'm not sure. July-August, somewhere in
20 there.

21 Q. Of what year?

22 A. 2001.

23 MR. SAUNDERS: Can we take a break when
24 you get to a good stopping point?

1 BY MR. GREENBERG:

2 Q. Was one of the reasons Skadden Arps was
3 retained to consider the possibility of a Chapter 11
4 filing?

5 A. Repeat the question.

6 Q. Was one of the reasons that Skadden Arps
7 was retained in terms of the consideration of a
8 possible Chapter 11 proceeding?

9 MR. SAUNDERS: Object to the form of the
10 question.

11 A. They were hired to advise us on
12 restructuring.

13 Q. And did that include the possibility of a
14 Chapter 11 filing?

15 A. Yes.

16 Q. And you said they were retained sometime
17 around July or August?

18 A. I believe. I don't have the exact date.

19 MR. GREENBERG: If you want to take a
20 break now, that's fine.

21 (In recess 10:58 a.m. to 11:08 a.m.)

22 BY MR. GREENBERG:

23 Q. Prior to retaining Skadden, had Polaroid
24 retained anyone else to advise it on restructuring?

1 A. Yes.

2 Q. Who?

3 A. Simpson Thacher.

4 Q. Simpson Thacher in New York, the New York
5 office?

6 A. Yes.

7 Q. When did Polaroid retain Simpson Thacher
8 to provide it with restructuring advice?

9 A. I don't recall the exact date.

10 Q. Was it prior to the spring of 2001?

11 A. It may have been the spring of 2001.

12 Q. And did Polaroid have a preexisting
13 relationship with Simpson Thacher?

14 A. Yes.

15 Q. Was the subject of changing or eliminating
16 the retiree benefits discussed with Simpson Thacher
17 at any point in time?

18 A. I don't recall.

19 Q. Who had responsibility for interfacing
20 with Simpson Thacher, who at Polaroid, in connection
21 with getting any advice on eliminating or changing
22 retiree medical benefits?

23 MR. SAUNDERS: Object to the form of the
24 question.

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1 A. I had responsibility for outside counsel.

2 Q. Did you discuss with anyone at Simpson
3 Thatcher whether or not Polaroid could terminate
4 retiree medical benefits?

5 MR. SAUNDERS: You can answer that yes or
6 no, "I don't know" or "I don't recall."

7 A. I don't recall specifically.

8 Q. Did you discuss that subject with any
9 other outside counsel?

10 A. At what point in time?

11 Q. At any point in time; any point prior to
12 the bankruptcy filing.

13 A. Yes.

14 Q. With whom?

15 A. Groom & Associates and Skadden Arps.

16 Q. Who did you discuss it with first?

17 A. I believe Skadden Arps.

18 Q. And with whom at Skadden Arps?

19 A. David Kurtz, I believe.

20 Q. When was that?

21 A. I don't recall the time.

22 Q. What month?

23 A. I don't recall the month.

24 Q. Was it the summer of 2001?

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1 A. I don't know. I don't think -- I don't
2 know. Don't know.

3 Q. What did you say to Mr. Kurtz and what did
4 he say to you on that subject?

5 MR. SAUNDERS: Instruction not to answer.

6 BY MR. GREENBERG:

7 Q. With whom at Groom Law Group did you
8 discuss that subject?

9 A. Gary Ford.

10 Q. And when was that discussion?

11 A. I don't recall specifically. I remember a
12 conversation; I don't know specifically. I don't
13 recall specifically.

14 Q. Do you recall providing to either the
15 Groom Law Group or Skadden Arps copies of your plan
16 documents?

17 MR. SAUNDERS: Hold on a second.

18 THE WITNESS: I'm sorry?

19 MR. SAUNDERS: Hold on a second. I'm
20 thinking about that. I'm going to instruct you not
21 to answer that.

22 BY MR. GREENBERG:

23 Q. Were you given any advice by the Groom Law
24 Group on the subject of whether or not Polaroid

1 could terminate its benefit plans for retirees?

2 MR. SAUNDERS: Object to the form of the
3 question, but you can answer it yes, no, "I don't
4 know," "I don't recall."

5 A. Yes.

6 Q. And when were you given such advice?

7 A. I don't recall the timing.

8 Q. Was that advice in writing?

9 A. I don't recall.

10 Q. Do you recall approximately how much prior
11 to the bankruptcy filing you received that advice?

12 A. I believe it was pretty close to the
13 filing.

14 Q. And what was the information that you
15 received from the Groom Law Group?

16 MR. SAUNDERS: Instruction not to answer.

17 BY MR. GREENBERG:

18 Q. Did you receive advice from Skadden Arps
19 on whether or not Polaroid could terminate the
20 retirement plans for retirees?

21 MR. SAUNDERS: Object to the form of the
22 question. You can answer it yes, no, or "I don't
23 know," "I don't recall."

24 A. Yes.

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1 Q. And was that advice in writing?

2 A. I don't believe it was.

3 Q. When did you receive that advice?

4 A. I believe it was pretty close to the
5 filing date.

6 Q. When you say pretty close, is that within
7 a matter of hours, days, weeks, what?

8 A. Weeks, maybe days.

9 Q. And what was that advice?

10 MR. SAUNDERS: Objection, instruction not
11 to answer.

12 BY MR. GREENBERG:

13 Q. Who was Polaroid's principal lender?

14 A. Chase Manhattan Bank.

15 Q. And prior to the bankruptcy filing, was
16 Chase Manhattan Bank the principal lender of
17 Polaroid's?

18 A. Yes.

19 Q. Did you speak with any representative of
20 Chase Manhattan Bank on the subject of reducing or
21 eliminating retiree benefits?

22 A. No.

23 Q. Did you attend any meeting where any
24 representatives of Chase Manhattan were present

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1 where that subject arose?

2 A. No.

3 Q. Are you aware of any meeting that was
4 attended by Polaroid's counsel where that subject
5 arose?

6 A. Repeat the question.

7 Q. Are you aware of any meeting at which
8 Polaroid's counsel attended with representatives of
9 Chase Manhattan Bank where the subject of the
10 elimination of retiree benefits was discussed?

11 A. What time frame?

12 Q. Prior to the bankruptcy filing.

13 A. No.

14 Q. You're familiar with the terminology a DIP
15 budget?

16 A. Yes.

17 Q. Debtor-in-possession financing. Is that
18 right?

19 A. Yes.

20 Q. Who at Polaroid or acting for Polaroid was
21 involved in preparing the DIP financing budget?

22 A. I don't know the names of all of the
23 people who were involved. It was under the
24 direction of our CFO, Bill Flaherty.

1 Q. Were you involved in that process?

2 A. Creating the budget? What process?

3 Q. The process of creating the budget.

4 A. No.

5 Q. Do you know when Mr. Flaherty started
6 working on -- Strike that. Do you know when
7 Polaroid started working on creating a debtor-
8 in-possession financing budget?

9 A. No.

10 Q. Do you know who worked with Mr. Flaherty
11 on that subject?

12 A. I know some of the people. I may not know
13 all of them. Andra Bolotin and Don Halstead.

14 Q. What are their positions?

15 A. Andra Bolotin is the treasurer and vice
16 president corporate strategy. Don Halstead is the
17 vice president and controller.

18 Q. What was their role, if you know, in
19 connection with preparing the DIP budget?

20 A. Don Halstead was responsible for creating
21 the internal operating budgets and Andra Bolotin was
22 responsible for treasury and worked with Bill
23 Flaherty on the budgets.

24 Q. Did Polaroid start preparing a proposed

1 DIP budget in the summer of 2001?

2 A. I don't know.

3 Q. Who would know that?

4 A. I don't know who would know that.

5 Q. Did your restructuring counsel at Simpson
6 Thacher and at Skadden Arps report to you on the
7 status of what they were doing?

8 MR. SAUNDERS: Object to the form of the
9 question.

10 A. What they were doing regarding what?

11 Q. For example, your outside counsel, your
12 restructuring counsel, were they engaged in
13 discussions with your lender or your lender's
14 lawyers prior to the bankruptcy filing?

15 A. Yes.

16 Q. And on what subjects were they engaged in
17 discussions?

18 A. Negotiating the terms of our loans.

19 Q. Were you negotiating terms of DIP
20 financing if the company filed bankruptcy? Was that
21 a subject that they were discussing with your
22 lender's counsel?

23 A. What time period?

24 Q. September 2001.

1 A. I don't recall when those discussions
2 commenced.

3 Q. But they started at some point in time?

4 A. They started at some point in time.

5 Q. Did they start before October 9?

6 A. Yes.

7 Q. Do you recall, did they start before
8 October 1st?

9 A. I don't recall.

10 Q. The date Polaroid filed bankruptcy, that
11 was October 12, 2001. Is that right?

12 A. Yes.

13 Q. Did it have a stipulated DIP financing
14 budget that it had agreed to with Chase?

15 A. Yes.

16 Q. Who was responsible in terms of outside
17 counsel representing Polaroid in connection with
18 negotiating that DIP budget?

19 A. I was.

20 Q. I'm sorry?

21 A. The counsel didn't negotiate the budget.

22 Q. Who were the parties negotiating the
23 budget?

24 A. Who were the individuals?

1 Q. Yes.

2 A. I believe Bill Flaherty and Andra Bolotin,
3 I believe.

4 Q. And who at Chase did they deal with?

5 A. I believe they dealt with Kimberly Turner.

6 Q. What was her position at Chase?

7 A. I don't know. Account -- I don't know.

8 And she worked with John McDonough.

9 Q. What was his position at Chase?

10 A. I'm not sure. Managing director,
11 something. I don't know.

12 Q. Did you attend any meetings prior to the
13 bankruptcy at which the postpetition financing was
14 discussed?

15 MR. SAUNDERS: Object to the form of the
16 question.

17 A. I may have. I don't recall. I was not
18 involved in the intensive negotiations.

19 Q. How do you know there were intensive
20 negotiations?

21 A. Well, I'm sorry. I was not involved --
22 I don't know. I'm sorry.

23 Q. Did someone report to you, someone at
24 Polaroid, as to the existence of negotiations

1 between Polaroid and Chase?

2 A. Yes.

3 Q. Who was that?

4 A. Andra Bolotin, Bill Flaherty.

5 Q. Over what period of time prior to the
6 bankruptcy did they report to you on that subject?

7 A. I don't recall specifically.

8 Q. In the thirty to sixty days before the
9 bankruptcy filing, did they report to you as to the
10 status of their negotiations with Chase?

11 MR. SAUNDERS: Object to the form of the
12 question.

13 A. I don't recall the time frame of when the
14 negotiations commenced.

15 Q. Negotiations concerning the DIP financing?

16 A. Yes.

17 Q. What were you told about those
18 negotiations?

19 MR. SAUNDERS: Mr. Goldman, I instruct you
20 that to the extent people at Polaroid told you
21 things that you understood to be for the purpose of
22 enabling you as general counsel to provide legal
23 advice, to exclude those from your answer.

24 THE WITNESS: Repeat the question, please.

1 (The reporter read the pending question.)

2 A. Basically I was getting a status report of
3 how they were going.

4 Q. Over what period of time were you getting
5 this status report?

6 A. While the negotiations were taking place.
7 During the period of the negotiations.

8 Q. Do you have a recollection as to whether
9 or not this was more or less than a thirty-day
10 period?

11 A. No, I don't.

12 Q. Did anyone indicate to you whether or not
13 the subject of retiree medical costs came up in
14 these negotiations?

15 THE WITNESS: Can you repeat that, please.

16 (The reporter read the question.)

17 A. No.

18 Q. Did anyone indicate to you that the banks,
19 I'm sorry, that Chase had indicated an unhappiness
20 about the expense level at Polaroid?

21 A. Yes.

22 Q. And who indicated to you information on
23 that subject?

24 A. I believe it was Andra Bolotin.

1 Q. What did she say to you on that?

2 A. I believe she said that the bank thought
3 our expenses going forward -- that our expenses were
4 too high.

5 Q. Well, this was in the context of a DIP
6 budget. Isn't that right?

7 A. Yes.

8 Q. So her negotiations were with the bank as
9 it related to the bank's willingness or
10 unwillingness to fund Polaroid in a Chapter 11. Is
11 that right?

12 A. Yes.

13 Q. Just so it's clear, Polaroid was
14 negotiating with Chase the terms under which Chase
15 would fund Polaroid in a Chapter 11. Isn't that
16 right?

17 A. We were negotiating the terms of the DIP
18 financing arrangement.

19 Q. And you were told that Chase indicated
20 that the expenses that Polaroid was proposing in its
21 budget were too high. Isn't that right?

22 A. Yes.

23 Q. And those expenses that Polaroid was
24 proposing initially included retiree medical

1 expenses. Isn't that correct?

2 A. I don't know.

3 Q. You don't know?

4 A. I don't know.

5 Q. Do you have a belief, sir, as to whether
6 or not the initial budgets that Polaroid was
7 providing to Chase in connection with DIP financing,
8 whether or not those budgets included retiree
9 medical expenses?

10 A. The first budget?

11 Q. Yes, the initial DIP budgets.

12 A. I don't know.

13 Q. Do you have a belief, sir, as to whether
14 or not those initial budgets had a retiree medical
15 expense item?

16 A. Is a belief different than an assumption?

17 Q. Do you have an assumption, sir?

18 A. My assumption is it was included. I don't
19 know if it was included.

20 Q. Your assumption is? I'm sorry.

21 A. My assumption is retiree medical was
22 included. I don't know that it was included.

23 Q. And why do you assume it was included?

24 A. Because the company was reluctant to

1 terminate those benefits.

2 Q. And why was the company reluctant to
3 terminate those retiree benefits?

4 A. Because we wanted to continue benefits to
5 former employees.

6 MR. GREENBERG: Now, the initial draft DIP
7 budgets that were submitted to Chase Bank, have
8 those been produced? Do you know?

9 MR. GALARDI: I don't know.

10 MR. GREENBERG: Well, obviously we would
11 like them.

12 BY MR. GREENBERG:

13 Q. Do you have any understanding as to how
14 many different revised DIP budgets were produced by
15 Polaroid?

16 A. I don't.

17 Q. Was there an attorney who would have any
18 involvement in the negotiations on the DIP budgets?

19 A. There was an attorney who was supporting
20 -- I don't know if an attorney was involved in the
21 negotiations of the budget. I don't think so.

22 Q. In terms of the medical benefits that
23 retirees were being provided, they paid a percentage
24 of the cost. Isn't that right? The retirees did.

1 A. When?

2 Q. Prior to it being terminated.

3 A. Yes.

4 Q. Now, how did Polaroid get that money? How
5 was that payment made? Did retirees pay it directly
6 to the insurance company? Did they pay it to
7 Polaroid? How was it collected from those retirees?

8 A. I don't know. I don't know how. I
9 believe we paid it directly to the carriers, but I
10 don't know.

11 Q. Who paid it directly to the carriers?

12 A. The company.

13 Q. Paid a hundred percent of it?

14 A. No, no, paid whatever wasn't subsidized.
15 The retiree paid a portion and the company paid a
16 portion.

17 Q. So the retiree would pay it directly to
18 the insurance company. Is that right?

19 A. That's my belief, yes.

20 Q. When would Polaroid make its payment? In
21 other words, would it make it monthly in advance?
22 Would it make it monthly in arrears? When would it
23 make its payment?

24 A. I believe it was in advance. I don't know

1 whether it was monthly or quarterly.

2 Q. But Polaroid would pay at the beginning of
3 the month for the end of the month? I'm sorry. To
4 cover that month. Is that right?

5 A. The period. I don't know whether it was a
6 monthly payment or quarterly payment, but I believe
7 it was paid in advance.

8 Q. And did Polaroid make the medical
9 insurance payment for retirees at the beginning of
10 October 2001 to cover the month of October?

11 A. I don't know.

12 Q. Well, who would know?

13 A. Mary Kelly would know.

14 Q. Let me just ask you something: Was one of
15 the providers Harvard Pilgrim for retirees?

16 A. I believe so.

17 Q. I was looking at your payment to creditors
18 schedule and it showed a payment to Harvard Pilgrim
19 dated October 1, 2001, of \$543,295.18, and I'll just
20 show you that. Was any portion of that payment to
21 cover retiree medical benefits for the month of
22 October?

23 A. I don't know.

24 Q. Well, you do know that you told all

1 retirees sometime in October that their medical
2 benefits had been terminated retroactively to
3 October 1. Isn't that correct?

4 A. No, I don't know that.

5 Q. Did you at any point in time inform
6 retirees that their medical benefits were being
7 terminated?

8 A. Yes.

9 Q. How did you do that?

10 A. There was a mailing to retirees.

11 Q. And when was the effective date of that
12 termination?

13 A. I don't recall.

14 Q. So sitting here today you don't know
15 whether or not in fact Polaroid paid for insurance
16 benefits for retirees for the month of October 2001?

17 A. That's correct.

18 Q. At any point in time after the bankruptcy
19 was filed, did you ever investigate whether or not
20 payment had been made?

21 A. No.

22 Q. Did anyone at Polaroid ever try to get a
23 refund from any of the insurance companies with
24 respect to any payments that had been made?

1 A. I believe so, but I'm not sure.

2 Q. I'm sorry?

3 A. I believe so, but I'm not sure.

4 Q. What do you believe happened?

5 A. I believe there was -- I recall a
6 discussion about a prepayment of benefits and some
7 adjustment, but I don't recall the specifics.

8 Q. Who do you recall that discussion
9 involving?

10 A. Mary Kelly and Louise Cavanaugh.

11 Q. When did that discussion take place?

12 A. I'm not sure. October, November,
13 December. I don't know.

14 Q. Who raised that subject with you?

15 A. Either Louise Cavanaugh or Mary Kelly. I
16 don't remember.

17 Q. Did Polaroid ever get a refund?

18 A. I don't know.

19 Q. Did anyone from Polaroid ever tell the
20 retirees that the payment for the month of October
21 2001 had been made by Polaroid?

22 A. I don't know.

23 Q. Besides Harvard Pilgrim or Harvard
24 Community Health, was there any other insurance

1 company, insurance provider that Polaroid subsidized
2 for retirees prior to the bankruptcy filing?

3 MR. SAUNDERS: Object to the form of the
4 question.

5 A. I believe we subsidized whatever carriers,
6 whatever choices retirees had.

7 Q. But, if I understand your testimony, you
8 believe that Polaroid paid its portion of the
9 October 2001 premium payment for the various
10 insurance providers for retirees?

11 MR. SAUNDERS: Objection to the form of
12 the question.

13 A. I don't think that's what I said. What I
14 said was I believe that payments were made in
15 advance, not in arrears. I don't have specific
16 knowledge of October 2001.

17 Q. But you do recall discussing the
18 possibility of trying to get a refund?

19 A. I have a recollection of a conversation.
20 I don't recall the details.

21 MR. GREENBERG: Can I mark as the next
22 exhibit a letter dated October 9, 2001.

23 (Goldman Deposition Exhibit 3 marked for
24 identification.)

1 BY MR. GREENBERG:

2 Q. Mr. Goldman, do you recognize this
3 document?

4 A. Yes.

5 Q. Excluding the handwriting, is this the
6 letter you sent notifying retirees that their
7 benefits had been terminated?

8 A. Yes.

9 Q. When did you sign this letter, if you did?

10 A. Well, it's an electronic signature.

11 Q. When was the first time you saw this
12 letter?

13 A. I don't recall.

14 Q. Did you see it before October 9?

15 A. Yes.

16 Q. You saw it prior to October 9?

17 A. Yes.

18 Q. Did you see it prior to October 8?

19 A. I don't recall.

20 Q. Now, this says "Regrettably, we must
21 terminate the plans immediately." Do you see that?

22 A. Yes.

23 Q. If I understand your testimony, previously
24 when Polaroid made any changes in retiree benefits,

1 it would give retirees some advance notice. That's
2 your recollection. Is that correct?

3 A. No.

4 Q. That's not your recollection?

5 A. No.

6 Q. Had Polaroid implemented changes in
7 retiree benefits without giving advance notice in
8 the past?

9 A. I don't know.

10 Q. Now, on October 9 you were aware that
11 Polaroid had already paid for -- Strike that. On
12 October 9 Polaroid was aware it had already paid for
13 retiree medical benefits for the month of October?

14 MR. SAUNDERS: Object to the form of the
15 question.

16 A. Is that a question?

17 Q. Isn't that a correct statement?

18 A. Can you repeat it?

19 Q. I'll rephrase the question.

20 Why didn't you just tell retirees that
21 we're going to terminate effective November 1 or
22 October 31 since Polaroid had already paid the
23 premiums?

24 MR. SAUNDERS: Object to the form of the

1 question.

2 A. We didn't have money in the budget going
3 forward to pay for these benefits.

4 Q. Which budget?

5 A. The DIP budget.

6 Q. The final one that the bank had agreed to
7 fund. Is that right?

8 A. Yes.

9 Q. The earlier one, the initial one, did have
10 money but the final one that the bank agreed to fund
11 didn't have it. Is that right?

12 A. I didn't say that. You asked me what I
13 assumed was in the initial DIP budget and I told
14 you. I didn't see the initial DIP budget.

15 Q. But why didn't you simply tell retirees
16 that we're going to terminate these plans effective
17 October 31 since you'd already paid October?

18 MR. SAUNDERS: Object to the form of the
19 question.

20 A. We made a decision that it was in the best
21 interests of the company to terminate the plan
22 effective immediately.

23 Q. Well, what about your responsibilities as
24 a fiduciary to the retirees? Did you consider that

1 at all in your decision?

2 MR. SAUNDERS: Object to the form of the
3 question.

4 A. I was not acting as a fiduciary or the
5 plan administrator in terminating this plan.

6 Q. And when you say you viewed it was in the
7 best interests of the company to do a termination
8 effective immediately as opposed to at the end of
9 October, why did you believe an immediate
10 termination was better than a termination the end of
11 October?

12 A. We believed that the company going forward
13 as a Chapter 11 entity had to dramatically reduce
14 its costs immediately, and this was one decision
15 that we took immediately.

16 Q. Were you concerned that if the termination
17 took place after the Chapter 11 was filed, that
18 retirees might have greater rights?

19 MR. SAUNDERS: Hold on just a minute.

20 (Pause) Read the question back.

21 (The reporter read the question.)

22 THE WITNESS: Can I confer with counsel on
23 privilege?

24 MR. GREENBERG: Sure.

1 (Mr. Saunders, Mr. Gallagher, Mr. Galardi
2 and the deponent left the room and returned
3 shortly.)

4 THE WITNESS: Can you repeat the question,
5 please?

6 MR. GREENBERG: Sure. Would you read it
7 back.

8 (The reporter read back as follows:

9 "Question: Were you concerned that if the
10 termination took place after the Chapter 11 was
11 filed, that retirees might have greater
12 rights?")

13 MR. SAUNDERS: Mr. Goldman, I'm going to
14 instruct you that you can testify about whether or
15 not there were legal considerations that were a
16 factor in any decision you were a part of making,
17 but I will instruct you not to disclose what the
18 legal considerations were or what kinds of questions
19 you asked to counsel and what responses you got from
20 counsel on the basis of attorney-client privilege.

21 So I think that with respect to that
22 question as it has been asked, I would instruct you
23 not to answer.
24 BY MR. GREENBERG:

1 Q. Were there legal considerations for making
2 the termination of retiree benefits effective
3 immediately as opposed to making them effective as
4 of the end of October?

5 A. Yes.

6 Q. And were those legal considerations
7 matters that you received advice on from outside
8 counsel?

9 MR. SAUNDERS: You can answer that yes,
10 no, "I don't know," "I don't recall."

11 A. Yes.

12 Q. And from whom did you receive advice on
13 that subject?

14 A. Gary Ford, David Kurtz and Gregg Galardi.

15 Q. Now, when did you first learn that a
16 decision had been made at Polaroid to terminate
17 retiree medical benefits?

18 MR. SAUNDERS: Object to the form of the
19 question.

20 MR. GREENBERG: I'll rephrase it. Good
21 objection.

22 BY MR. GREENBERG:

23 Q. At some point in time did you learn that a
24 decision had been made at Polaroid to eliminate

1 retiree medical benefits?

2 A. Yes.

3 Q. When?

4 A. At the board meeting of October 9, 2001.

5 Q. And when did that take place? What time
6 of day did that board meeting take place?

7 A. I don't recall.

8 Q. Was it morning, afternoon, evening?

9 A. It should be reflected in the minutes.
10 I don't recall.

11 MR. GREENBERG: Well, let me show you a
12 document that is identified as minutes of board of
13 directors, Polaroid Corporation, October 9, 2001.
14 Actually, we can mark that as Exhibit 4.

15 (Goldman Deposition Exhibit 4 marked for
16 identification.)

17 BY MR. GREENBERG:

18 Q. It says a telephonic meeting of the board
19 of directors of Polaroid Corporation was held on
20 October 9, 2001. The meeting was called to order at
21 5:00 o'clock p.m. You drafted these minutes?

22 A. Yes.

23 Q. Let me just go back to one thing I'm
24 curious about. Exhibit 3, which is your letter to

1 retirees, is dated October 9, 2001. Was this letter
2 done before the board actually had its telephonic
3 meeting?

4 MR. SAUNDERS: Object to the form of the
5 question.

6 A. The drafting of the letter was probably
7 started prior to October 9, 2001.

8 Q. When was it started?

9 A. I don't recall.

10 Q. Who drafted it?

11 A. I don't know specifically who drafted it.

12 Q. Did you participate in the drafting of it?

13 A. No. I saw a draft.

14 Q. Did you comment on the draft?

15 A. Yes.

16 Q. What were your comments?

17 A. I don't recall. I marked it up.

18 Q. The draft you saw, did it make the
19 termination of benefits effective immediately?

20 A. I don't recall.

21 Q. Did you see a draft prior to October 9?

22 A. I believe so.

23 Q. How many days prior to October 9 did you
24 see a draft?

1 A. I don't recall.

2 Q. Was it more than one day before?

3 A. Probably.

4 Q. Was it more than two days before?

5 A. Maybe.

6 Q. Was it more than a week before?

7 A. I don't think so.

8 Q. Did you see more than one draft?

9 A. I don't recall.

10 Q. Who presented you with a draft?

11 A. Either Mary Kelly or Louise Cavanaugh.

12 Q. Now, what happened on October 9 at this
13 board meeting on the subject of retiree benefits?

14 Was anything discussed on that subject?

15 A. Yes.

16 Q. How long did that telephonic meeting last?

17 A. An hour and ten minutes.

18 Q. And was the subject of a Chapter 11 filing
19 discussed also?

20 A. I believe it was.

21 Q. Was the filing authorized at that meeting?

22 A. I believe it was.

23 Q. It says on Exhibit 4, the second page,
24 Retiree Medical and Life Insurance. It says that

1 "Mr. Flaherty led a discussion regarding the
2 company's financial commitments under the retiree
3 medical plan and retiree life insurance plan." Do
4 you see that?

5 A. Yes.

6 Q. And then it says "After a full and
7 complete discussion of these plans." Who spoke on
8 that subject besides Mr. Flaherty?

9 A. I don't recall specifically. Some of the
10 directors. There was an exchange with some of the
11 directors.

12 Q. Which directors spoke?

13 A. I don't recall.

14 Q. Was there any explanation as to the
15 implications of terminating these plans before a
16 bankruptcy was filed?

17 A. I don't recall.

18 Q. Was the DIP budget discussed at that
19 meeting, this telephonic meeting?

20 A. I don't recall.

21 Q. Had the DIP budget been finalized as of
22 this telephonic meeting?

23 A. I don't know.

24 Q. What was said on the subject of whether or

1 not to terminate the retiree medical plan and
2 retiree life insurance plan?

3 A. There was a discussion of the --

4 MR. SAUNDERS: Hold on a second.

5 Mr. Goldman, let me instruct you to exclude from
6 your answer any discussion of legal advice.

7 A. There was a discussion of the cost of the
8 program, of the need for an operating budget, the
9 need to cut expenses. Mr. Flaherty presented the
10 costs, and I believe there may have been advice
11 given by David Kurtz as well.

12 Q. On what subject?

13 A. On the termination of retiree medical
14 benefits and life insurance.

15 Q. Was that advice also in the context of a
16 Chapter 11 filing?

17 MR. SAUNDERS: Object to the form of the
18 question.

19 THE WITNESS: Can you repeat the question,
20 please?

21 (The reporter read the pending question.)

22 A. No. The advice to the directors was with
23 respect to the termination under the plan.

24 Q. Did anyone advise Polaroid that it had a

1 right to terminate effective immediately on October
2 9, 2001, the retiree health plan and life insurance
3 plan?

4 MR. SAUNDERS: Instruction not to answer.

5 BY MR. GREENBERG:

6 Q. Did anyone at Polaroid or on behalf of
7 Polaroid investigate prior to October 9, 2001,
8 whether or not Polaroid had a right to terminate
9 effective immediately the retiree health plan and
10 retiree life insurance plan?

11 MR. SAUNDERS: Object to the form of the
12 question. You can answer it yes, no, "I don't
13 know," "I don't recall," Mr. Goldman.

14 A. I don't understand. Did they investigate?

15 Q. Yes.

16 A. Repeat the question.

17 (The reporter read back as follows:

18 "Question: Did anyone advise Polaroid
19 that it had a right to terminate effective
20 immediately on October 9, 2001, the retiree
21 health plan and life insurance plan?")

22 MR. SAUNDERS: Same objection and
23 instruction.

24 A. Yes.

1 Q. Who?

2 A. Louise Cavanaugh.

3 Q. When did she undertake that investigation?

4 A. I don't know.

5 Q. Did she ever report to you on the results
6 of that?

7 MR. SAUNDERS: Answer that yes, no, "I
8 don't know," "I don't recall."

9 A. I wouldn't characterize it as an
10 investigation. She provided advice on the plan.

11 Q. What was her advice?

12 MR. SAUNDERS: Instruction not to answer.

13 BY MR. GREENBERG:

14 Q. Was her advice in writing?

15 A. No.

16 Q. Now, did Polaroid ever advise the service
17 providers that the plan was being terminated?

18 A. Yes.

19 Q. When was that notice given?

20 A. I don't know.

21 Q. Was it before or after after October 9?

22 A. I don't know.

23 Q. Who was responsible for providing that
24 notice?

1 A. I think Mary Kelly.

2 Q. Did the service provider contracts require
3 a specified advance notice to be given?

4 A. I don't know.

5 MR. GREENBERG: Let me just show you a
6 document which is entitled Account Agreement Entered
7 Into with Blue Cross and Blue Shield of
8 Massachusetts, and let's mark that as Exhibit 5.

9 (Goldman Deposition Exhibit 5 marked for
10 identification.)

11 MR. TORMEY: What document is this?

12 MR. GREENBERG: It's an account agreement
13 between Blue Cross/Blue Shield --

14 MR. TORMEY: Account agreement?

15 MR. GREENBERG: Account agreement. -- and
16 Polaroid.

17 BY MR. GREENBERG:

18 Q. This is a document that Polaroid's counsel
19 I believe produced in connection with this matter,
20 sir. There is a reference on page 4 dealing with
21 termination of the agreement and it says that this
22 agreement may also be terminated for any reason by
23 either party on any date upon thirty days' prior
24 written notice to the other. Do you see that?

1 A. Yes.

2 Q. Was any such notice given by Polaroid to
3 Blue Cross?

4 A. I don't know.

5 Q. Was notice given prior to October 9?

6 A. I don't know.

7 Q. So you don't know whether or not Polaroid
8 has ever in fact complied with this notice
9 provision?

10 A. Correct.

11 MR. SAUNDERS: Object to the form of the
12 question.

13 BY MR. GREENBERG:

14 Q. Other than yourself, who would know?

15 A. Mary Kelly I believe would know.

16 Q. After the meeting on October 9, 2001,
17 after the board meeting, did you give instructions
18 to anyone with respect to effectuating this
19 termination?

20 A. Yes.

21 Q. Who did you give instructions to?

22 A. Louise Cavanaugh.

23 Q. What did you tell her?

24 MR. SAUNDERS: Let me instruct you to

1 exclude from your answer any discussion of legal
2 advice. To the extent that you gave other
3 instruction to Ms. Cavanaugh, you can testify about
4 that. But to the extent it was a discussion of
5 legal issues, you should avoid that.

6 A. I asked her to work with the benefits
7 department to carry out the intent and purposes of
8 the --

9 Q. And what did she do if anything?

10 A. I don't know.

11 Q. Did she ever report to you on whether or
12 not she effectuated the termination?

13 A. No.

14 Q. So sitting here today you don't know
15 whether or not she did?

16 A. No.

17 MR. GREENBERG: Let me just show you a
18 document entitled The Polaroid Retiree Medical Plan
19 Effective October 9, 2001. Will you mark that as
20 Exhibit 6.

21 (Goldman Deposition Exhibit 6 marked for
22 identification.)

23 BY MR. GREENBERG:

24 Q. Exhibit 6, look at the last page, I ask

1 you if you recognize that signature.

2 A. Yes.

3 Q. Whose is it?

4 A. It's my signature.

5 Q. When did you sign this document?

6 A. I don't recall when I signed this
7 document.

8 Q. Is it your practice not to date documents
9 that you sign?

10 A. No.

11 Q. Your practice is to date documents, isn't
12 it?

13 A. No.

14 Q. You don't know when you signed this.
15 Where were you when you signed the document?

16 A. I don't know. Probably in my office.

17 Q. Who prepared this document?

18 A. Louise Cavanaugh.

19 Q. Did she give it to you to sign?

20 A. I don't recall her giving it to me to
21 sign. Somebody gave it to me to sign.

22 Q. Well, how do you know she prepared it?

23 A. Because she's responsible for reviewing
24 and preparing these kinds of documents.

1 Q. What was this document intended to
2 accomplish, if you know?

3 MR. SAUNDERS: Object to the form of the
4 question.

5 A. {Pause} The purpose of the document is to
6 set out the terms of the retiree medical plan
7 effective October 9, 2001.

8 Q. The purpose was to terminate the plan.
9 Isn't that right?

10 A. The plan was terminated upon the board's
11 action.

12 Q. When did you sign this document? Did you
13 sign this document before or after the board meeting
14 on October 9?

15 A. I don't recall when I signed this
16 document.

17 Q. Did you sign it after the Chapter 11 was
18 filed?

19 A. I don't recall when I signed this
20 document.

21 Q. So you may have signed it after the
22 Chapter 11 was filed, you just don't know?

23 A. I don't recall when I signed this
24 document.

1 Q. The board minutes also refer to
2 terminating a retiree life insurance plan.

3 A. Correct.

4 Q. Did you sign any document reflecting that
5 the retirees' life insurance plan was terminated?

6 A. I don't recall.

7 Q. You don't recall ever signing such a
8 document?

9 A. I don't recall.

10 Q. Well, I mean, we haven't seen such a
11 document and if one existed, you certainly would
12 have provided it to us. Right?

13 A. Yes.

14 Q. So sitting here today you have no
15 knowledge of ever having signed a restated retiree
16 life insurance plan terminating the life insurance
17 plan?

18 MR. SAUNDERS: Would you read that back,
19 please.

20 (The reporter read the question.)

21 A. I have no recollection of signing a
22 document regarding changes to the medical plan
23 effective October 9, 2001.

24 Q. I'm asking about the life insurance plan.

1 A. I'm sorry. The life insurance plan.

2 MR. GREENBERG: Let me mark, if I can,
3 what we understand to be the last Polaroid retiree
4 group life insurance plan amended effective January
5 1, 1990. Can we mark that as the next exhibit.

6 (Goldman Deposition Exhibit 7 marked for
7 identification.)

8 BY MR. GREENBERG:

9 Q. Mr. Goldman, let me show you what has been
10 marked as Exhibit 7 and ask you: Did you ever sign
11 a Polaroid retiree group life insurance plan
12 effective October 9, 2001?

13 A. I don't recall signing one.

14 Q. Did the fact that you didn't sign one come
15 to your attention at any point before today?

16 A. No.

17 MR. SAUNDERS: Object to the form of the
18 question.

19 BY MR. GREENBERG:

20 Q. Now, the life insurance plan, the provider
21 for the life insurance was what company?

22 A. I don't recall.

23 Q. Was it John Hancock?

24 A. I don't recall.

1 Q. Did Polaroid ever notify the life
2 insurance provider for retiree life insurance that
3 the plan had been terminated?

4 A. I don't know.

5 Q. Did you instruct someone to take action on
6 that subject?

7 A. No.

8 Q. So, if I understand, you are not aware of
9 whether or not any notice was ever sent to John
10 Hancock concerning the termination of the life
11 insurance?

12 A. Correct.

13 Q. Who would know whether or not that notice
14 was sent?

15 A. I believe Mary Kelly would know.

16 Q. And if she had sent such a notice, you
17 would expect it would have been in writing. Right?

18 A. Yes.

19 Q. Prior to October 9, were you aware that
20 the termination of retiree benefits was going to be
21 the subject of the board meeting?

22 MR. SAUNDERS: Object to the form of the
23 question.

24 A. Yes.

1 Q. Was there an agenda prepared in connection
2 with that meeting?

3 A. I don't think so, no.

4 Q. When did you become aware that the October
5 9 meeting, one of the subjects was the termination
6 of the retiree benefits?

7 A. I don't recall specifically.

8 Q. Was it a few days before or longer?

9 A. It wasn't longer. It was at most a few
10 days.

11 Q. And how did you learn that?

12 A. How did I learn? We were requesting board
13 action. One of the items that we were requesting
14 action on was the retiree plan. A couple of days
15 before or a day before -- I don't know specifically
16 when -- we finalized the agenda; that's when we
17 decided we would take it to the board.

18 Q. The we is whom?

19 A. I'm sorry. Gary DiCamillo and me.

20 Q. The two of you made the decision to make
21 this recommendation to the board of directors. Is
22 that right?

23 A. Yes. Bill Flaherty may have been
24 involved. I don't recall. I think he was,

1 actually.

2 Q. Just so I'm clear, it was Mr. Flaherty,
3 Mr. DiCamillo and yourself who made the decision
4 that you were going to recommend to the board the
5 elimination of retiree benefits. Is that right?

6 A. Yes.

7 Q. And when was that decision made that you
8 were going to make that recommendation?

9 A. I don't recall specifically. It was very
10 close to the time of the meeting.

11 Q. Was the October 9 meeting a regularly
12 scheduled board meeting?

13 A. No.

14 Q. Did you, Mr. DiCamillo and Mr. Flaherty
15 have some meeting in early October in which you
16 agreed on this recommendation?

17 A. I believe we did. I don't -- I can't
18 exactly place the meeting, but we had a discussion
19 about the subject.

20 Q. When?

21 A. Prior to the board meeting.

22 Q. How much prior to the board meeting?

23 A. I don't recall specifically.

24 Q. Was it a matter of days?

1 A. I don't know.

2 MR. SAUNDERS: If you're moving into a new
3 area, can we take a break?

4 MR. GREENBERG: Sure.

5 (Discussion off the record.)

6 (In recess 12:18 p.m. to 12:27 p.m.)

7 BY MR. GREENBERG:

8 Q. Was there a practice over the years at
9 Polaroid that allowed employees who were being
10 notified that their position was going to be
11 eliminated to try to find another position within
12 Polaroid?

13 A. I believe there was.

14 Q. And what was that practice?

15 A. Well, I don't know specifically. I
16 believe that employees were encouraged to look at
17 the job postings that were available within the
18 company and if they were interested in applying for
19 them, they should do that. My understanding is the
20 company posts job openings.

21 Q. And for how long had the practice of
22 allowing employees that had been notified their
23 position was going to be eliminated to try to find
24 other positions within the company, how long was

1 that policy or practice, rather, in place at
2 Polaroid?

3 A. I don't know.

4 Q. Was it in place during the years that you
5 worked there?

6 A. Yes.

7 Q. At any point in time prior to October 12,
8 did you advise employees at Polaroid that the
9 company was going to be filing a Chapter 11
10 proceeding?

11 A. No.

12 Q. At any point prior to October 9, 2001, did
13 you advise retirees that their benefits were going
14 to be terminated?

15 A. No.

16 Q. At any point in calendar 2001 prior to
17 October 9, did you ever advise retirees that their
18 benefits might be terminated?

19 MR. SAUNDERS: Objection to the form of
20 the question.

21 BY MR. GREENBERG:

22 Q. And I'm asking you, Neal Goldman, in your
23 capacity as an employee of Polaroid or in your
24 capacity as a plan fiduciary.

1 MR. GALARDI: Excuse me. Could you read
2 the question back? I couldn't hear it.

3 MR. GREENBERG: Let me rephrase it.

4 BY MR. GREENBERG:

5 Q. In your capacity as a plan fiduciary and
6 also in your capacity as an employee of Polaroid --

7 A. Can you ask me two separate questions?

8 Q. Sure. In your capacity as a plan
9 fiduciary, did you between January 1, 2001, and
10 October 9, 2001, ever advise Polaroid retirees that
11 their benefits might be terminated?

12 A. No.

13 Q. In your capacity as an employee of
14 Polaroid between January 1, 2001, and October 9,
15 2001, did you ever advise retirees in writing that
16 their benefits might be terminated?

17 A. No.

18 Q. Did you ever advise retirees verbally that
19 their benefits might be terminated?

20 A. Not to my recollection, no.

21 Q. Did you oppose the decision to terminate
22 retiree benefits?

23 MR. SAUNDERS: Object to the form of the
24 question.

1 Q. The board of directors' decision. Did you
2 speak against it?

3 A. No.

4 Q. When you said you spoke with --

5 A. I'm sorry. You're talking at the board
6 meeting?

7 Q. I'll break it down. First of all, on
8 October 9 at the board meeting did you speak against
9 eliminating the retiree benefits?

10 A. No.

11 Q. Now, you said before that you had a
12 meeting with Mr. Flaherty and Mr. DiCamillo at which
13 the decision was made prior to October 9 to present
14 to the board a recommendation to eliminate retiree
15 benefits. Isn't that right?

16 A. Yes.

17 Q. Was that recommendation unanimous? You,
18 Mr. DiCamillo and Mr. Flaherty all agreed that you
19 were going to make that recommendation?

20 A. Yes.

21 Q. During your discussion with Mr. Flaherty
22 and Mr. DiCamillo in which you agreed to make that
23 recommendation, did you speak against eliminating
24 retiree benefits?

1 A. I'm having trouble with the form of the
2 question. There was a discussion about the
3 implications of doing it, what it would mean, and
4 there was a general discussion. I don't know that I
5 can say anybody spoke against it. People expressed
6 concern about the impact on retirees but we felt
7 that because of the financial constraints the
8 company had, this was something that had to be done.

9 Q. And this is the meeting between you,
10 Mr. DiCamillo and Mr. Flaherty?

11 A. Yes.

12 Q. What was discussed on the implications?

13 A. Well, we were clearly concerned with the
14 financial impact it would have on retirees.

15 Q. That was discussed?

16 A. Yes, and everybody -- I think all three of
17 us felt badly about that.

18 Q. What about the fact that some retirees
19 might actually be in the hospital or might have made
20 plans to undergo surgery in reliance upon these
21 benefits? Was that discussed?

22 A. No.

23 Q. Was there any concern discussed about
24 giving retirees advance notice?

1 A. Yes.

2 Q. What was said on that subject?

3 MR. SAUNDERS: I am going to instruct you
4 to exclude from your answer discussion of legal
5 considerations or legal advice, if any.

6 A. The question that was discussed was the
7 financial impact of continuing benefits. We knew it
8 was over a million dollars a month and we thought
9 under the circumstances that immediate action needed
10 to be taken.

11 Q. When you say immediate action, you decided
12 that you couldn't give these retirees even thirty
13 days' notice that their benefits were going to be
14 eliminated. That's what the decision was?

15 MR. SAUNDERS: Object to the form of the
16 question.

17 A. No, I don't think we made the decision on
18 that basis.

19 Q. Well, you said it was a financial
20 consideration. Is that right?

21 A. That's right.

22 Q. At the time Polaroid had already paid the
23 benefits through October. Isn't that right?

24 MR. SAUNDERS: Object to form.

1 A. I don't know.

2 Q. Isn't it true that the only reason the
3 benefits were terminated immediately was because of
4 legal considerations?

5 MR. SAUNDERS: Instruction not to answer.

6 BY MR. GREENBERG:

7 Q. Isn't it correct that the reason no
8 advance notice was given retirees was because of the
9 concerns Polaroid had that if those benefits existed
10 post-Chapter 11 filing?

11 MR. SAUNDERS: Are you finished?

12 MR. GREENBERG: Yes.

13 MR. SAUNDERS: Instruction not to answer.

14 BY MR. GREENBERG:

15 Q. Was there any attempt to persuade Chase to
16 fund an amount of money in the DIP to cover retiree
17 benefits for a period of time?

18 MR. SAUNDERS: Object to the form of the
19 question.

20 A. I don't know.

21 Q. Was that something you inquired into?

22 A. No.

23 Q. In your capacity as a trustee and a
24 fiduciary for the retirees, what did you do in

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1 September or October to try to protect the retirees?

2 MR. SAUNDERS: Object to the form of the
3 question.

4 A. The responsibility of the plan
5 administrator is to administer a plan. The plan
6 administrator administered the plan that was in
7 effect at the time.

8 Q. But you knew you were a fiduciary to the
9 retirees under the plan documents. Right?

10 A. Right.

11 Q. And you knew you had a duty to look out
12 for the interests of retirees as it related to their
13 rights under the plan. Correct?

14 MR. SAUNDERS: Object to the form of the
15 question.

16 A. No.

17 Q. Does the plan have insurance, liability
18 insurance to cover the fiduciaries?

19 A. I believe it does. I'm not sure.

20 Q. Is that policy paid for by Polaroid?

21 A. Yes.

22 Q. And that policy still is in effect?

23 A. I believe it is.

24 Q. Has any notice been given to the insurance

1 company as to potential liability that the plan
2 fiduciaries may have to retirees?

3 MR. SAUNDERS: Object to the form of the
4 question.

5 A. I'm not aware of a notice having been
6 given.

7 Q. Can you just tell me if you did anything
8 in September, October, August, July of 2001 to try
9 to protect the interest of the retirees?

10 MR. SAUNDERS: Object to the form of the
11 question.

12 A. I don't recall specific actions taken by
13 the plan administrator in that time frame.

14 Q. Well, the plan administrator was you.

15 A. No, it was a committee. I was the
16 chairman of the plan administrator.

17 Q. You were the chairman of --

18 A. Met by committee.

19 Q. Every member of the committee was a
20 fiduciary. Right?

21 A. Yes.

22 Q. Did the committee, for example, say to
23 Mr. DiCamillo or Mr. Flaherty "We can't do this, we
24 can't eliminate these plans immediately without

1 giving these retirees notice"?

2 A. I am not aware that they knew this
3 discussion was taking place.

4 Q. Well, did you tell the committee members
5 in October that this discussion was taking place?

6 A. No.

7 Q. When did you tell the committee members
8 that a decision had been made to terminate the plan?

9 A. They received notice on -- This was public
10 knowledge within the company on October 9.

11 Q. So prior to sending out the letter on
12 October 9 -- Strike that. What was public knowledge
13 on October 9?

14 A. I believe that we did -- I shouldn't say
15 public knowledge. I believe that when we did this
16 notice to retirees, I believe we published something
17 internally in the company. That's my recollection.

18 Q. What did you publish internally?

19 A. I don't remember.

20 Q. What was the date of it?

21 A. I don't remember.

22 Q. As chairman of the committee, did you make
23 any effort to convince Mr. Flaherty or Mr. DiCamillo
24 or the board that they should not terminate retiree

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1 benefits?

2 MR. SAUNDERS: Object to the form of the
3 question.

4 A. Not in that capacity, no.

5 Q. I'm sorry?

6 A. Not in that capacity, no.

7 Q. In any capacity, did you make any attempt
8 to get them to maintain retiree benefits?

9 A. We presented to the board our financial
10 situation and the options available. The board made
11 the decision to terminate.

12 Q. Was one of the options available to
13 continue the retirement benefits for retirees?

14 A. I suppose the board could have continued
15 the benefits to retirees.

16 Q. Sir, on October 9 you made a presentation
17 to the board of directors.

18 A. Correct.

19 Q. You said you gave the board options. Is
20 that right?

21 MR. SAUNDERS: Object to the form of the
22 question.

23 A. No. I believe what I said earlier was
24 that there was a recommendation to terminate retiree

1 medical benefits.

2 Q. Did you provide the board with an option
3 to maintain those benefits?

4 A. At that meeting? No.

5 Q. In September did you provide that option?

6 A. No.

7 Q. What steps, if any, did you take in any
8 capacity to provide retirees with advance notice
9 that their benefits would be terminated?

10 A. I am not aware of any steps we took to do
11 that.

12 Q. Why not?

13 A. Because we didn't make the decision until
14 October 9. At the same time we were negotiating a
15 budget with the banks and trying to make decisions
16 about what money we had available.

17 Q. Well, when you say what money you had
18 available, let me just mark, if I can, because I was
19 actually curious, this document entitled -- Let me
20 just back up. If I understand, it was Polaroid's
21 position and your position that you couldn't afford
22 the \$15 million a year or so it would cost to
23 maintain retiree benefits. Is that right?

24 A. Correct.

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1 Q. And it was in that context that Polaroid
2 claims it decided it was going to eliminate those
3 benefits. Is that right?

4 A. Correct.

5 MR. GREENBERG: Let's mark, if we can, as
6 the next exhibit a Statement of Financial Affairs of
7 Polaroid Corporation.

8 (Goldman Deposition Exhibit 8 marked for
9 identification.)

10 BY MR. GREENBERG:

11 Q. Were you involved in the preparation of
12 Polaroid's schedule filed in the bankruptcy?

13 A. No, I reviewed some of it. I did not
14 prepare it.

15 Q. Did I just misread this or did your salary
16 actually get increased in calendar 2001?

17 MR. SAUNDERS: Object to the form of the
18 question.

19 MR. GREENBERG: I'll rephrase it.

20 BY MR. GREENBERG:

21 Q. Mr. Goldman, did you actually receive an
22 increase in your salary in 2001 or not?

23 A. I can't recall my last pay increase.
24 (Mr. Gray entered the room.)

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1 Q. Well, I mean, I looked at the payments to
2 insiders and I saw here wages/earnings, it's
3 Schedule 3B, page 17 of 55. And if you look at 17
4 and 18, it looked to me as though your salary went
5 up, biweekly salary, from \$12,116 to \$13,461
6 sometime in July. Is that right?

7 A. I think that is right.

8 Q. So whatever the financial condition of
9 Polaroid -- Strike that.

10 Now, on the schedule it indicates on
11 payments to creditors Goodwin Procter & Hoar. What
12 was their involvement with Polaroid?

13 A. They're outside counsel to us. They
14 represented the company on various matters.

15 Q. Were they involved at all on restructuring
16 advice?

17 A. I think they were involved in securing
18 certain collateral.

19 Q. What do you mean by that, securing
20 collateral?

21 A. We had had negotiations with the banks and
22 we had agreed to give certain collateral, secured
23 interests in real estate, to lenders and I believe
24 they supported us in that effort, did title searches

1 and various things.

2 Q. And that was in connection with
3 restructuring?

4 A. It was in connection with -- In a broad
5 sense, yes.

6 Q. I saw on the payments to creditors also
7 Jones Day, a payment on October 4, just a few days
8 before the bankruptcy. Was Jones Day involved in
9 providing legal services to Polaroid?

10 A. Jones Day was providing legal services to
11 the CEO, being paid for by the company.

12 Q. As it related to what?

13 A. Related to his personal situation, his
14 contract.

15 Q. Why was Polaroid paying for
16 Mr. DiCamillo's personal attorney?

17 A. Because it was approved by the board.

18 Q. Is there a vote that approved that?

19 A. Yes.

20 Q. Was that vote before or after Jones Day
21 was paid?

22 A. I believe it was before.

23 Q. When was Jones Day retained by
24 Mr. DiCamillo?

1 A. I don't recall specifically.

2 Q. Was it sometime in the summer or after the
3 summer of 2001?

4 A. I don't recall the specific date.

5 Q. But if I understand, at the same time
6 Polaroid was having all these financial problems,
7 its board authorized to pay Mr. DiCamillo's personal
8 counsel. Is that right?

9 A. The board authorized the payment to Jones
10 Day to give Mr. DiCamillo certain advice, yes.

11 Q. What was the advice they were giving him,
12 concerning what subject?

13 A. I believe it was related to the effects of
14 the potential restructuring on Mr. DiCamillo.

15 Q. The payments that were made on the eve of
16 bankruptcy, the few days before bankruptcy, did you
17 submit to the bank, Chase JP Morgan, a schedule of
18 the amounts of money that Polaroid intended to pay?

19 A. I don't know.

20 Q. Did Polaroid operate with a revolver? Did
21 it have a revolving loan with the bank?

22 A. Yes.

23 Q. Just so I'm clear and the record is clear,
24 any cash that Polaroid got in on a given day all

1 went to pay down the loan. Is that right?

2 A. I don't know. I don't.

3 Q. But your understanding is it had a
4 revolver?

5 A. Yes.

6 Q. Now, I see here JP Morgan was paid like on
7 October 2nd 1.8 million, 1,840,000-plus dollars.
8 What was that in connection with?

9 A. I don't know.

10 Q. You just don't know?

11 A. I don't know.

12 Q. Who is Keystone Associates?

13 A. What page are you on?

14 Q. It's on the payments to creditors, 46 of
15 88, Schedule 3A. Do you know who that is?

16 A. I don't, no.

17 Q. Was that a landlord or you just don't
18 know?

19 A. I don't know.

20 Q. I also saw on the next page Peat Marwick
21 was paid just a shade under \$300,000 on October 4,
22 2001, and also \$50,000 on October 11. That was the
23 day before the bankruptcy. Right?

24 A. Correct.

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1 Q. What was that for?

2 A. I don't know.

3 Q. The bank approved that? Chase approved
4 that payment?

5 A. I don't know.

6 Q. Was Peat Marwick the accountants for
7 Polaroid?

8 A. KPMG were the accountants for Polaroid.

9 Q. I'm sorry. Who is Leo Burnett Company?

10 A. Leo Burnett is an advertising agency.

11 Q. Used by Polaroid?

12 A. Yes.

13 Q. McDermott Will & Emery: Did Polaroid
14 retain McDermott Will & Emery? I see them listed as
15 a payment in September of 2001.

16 A. They did some work for us, yes.

17 Q. On what subject? My only concern is, did
18 it have anything to do with the restructuring
19 advice?

20 A. I think it's primarily environmental
21 advice.

22 Q. McKinsey & Company, I see several payments
23 to them.

24 A. What page are you on?

1 Q. 51 of 88. McKinsey & Company.

2 A. Yes.

3 Q. What did they do for Polaroid?

4 A. Consulting.

5 Q. On what subject?

6 A. Business planning.

7 Q. Did they give you advice on restructuring?

8 A. No.

9 Q. What is Nucam Corporation?

10 A. What page?

11 Q. 57.

12 A. I don't know.

13 Q. Have you ever heard that name before?

14 A. I believe they're a manufacturer; a

15 contract manufacturer, I believe.

16 Q. Do they have any affiliation with

17 Polaroid?

18 A. I don't think so.

19 Q. What's Orange County Art?

20 A. Where are you?

21 Q. Next page.

22 A. I don't know.

23 Q. Riemer & Braunstein, a law firm, they did
24 work for Polaroid?

1 A. Yes.

2 Q. Did they do work in connection with the
3 restructuring?

4 A. No.

5 MR. TORMEY: Would you identify the pages
6 as you go along? It would be helpful.

7 BY MR. GREENBERG:

8 Q. Page 67. I'm sorry. They did work for
9 Polaroid?

10 A. Start again. What's the question?

11 Q. Riemer & Braunstein, did they perform
12 legal services for Polaroid?

13 A. Yes.

14 Q. In what subject area?

15 A. Primarily on the divestitures of
16 businesses, sale of businesses.

17 Q. Who represented JP Morgan Chase?

18 A. Davis Polk.

19 Q. Did Polaroid pay directly or indirectly
20 the fees that Davis Polk incurred?

21 A. When?

22 Q. Prior to the bankruptcy.

23 A. In what period?

24 Q. In the period July-August-September-early

1 October.

2 A. I would have to look at the terms, the
3 terms of the loan agreement to see the reimbursement
4 provision.

5 Q. Now, page 72 refers to payments to Simpson
6 Thacher and Skadden Arps. Were those in connection
7 with the restructuring advice?

8 A. Well, Simpson did a lot of work for us in
9 addition to restructuring.

10 Q. But Skadden had to do with the
11 restructuring. Is that correct?

12 A. Primarily. They picked up other work as
13 well but, yes, primarily.

14 Q. What is Zolfo Cooper LLC, page 87?

15 A. They're financial advisers to Polaroid.

16 Q. What were the services that they rendered?

17 A. They've done work on assisting the company
18 in creating budgets, in creating cash flow analyses,
19 advice on restructuring.

20 Q. They provided restructuring advice?

21 A. Yes.

22 Q. Did you have any contact with them?

23 A. Yes.

24 Q. During what time period?

1 A. From the time they were engaged.

2 Q. I see several payments to Zolfo in the
3 time period August-September-early October.

4 A. Yes.

5 Q. Did they provide any advice with respect
6 to the issue of eliminating retiree medical expense?

7 A. They might have worked on some cost issues
8 related to that. They might have done some cash
9 flow projections.

10 Q. Who at Zolfo Cooper was responsible for
11 the Polaroid relationship?

12 A. Steve Panogos.

13 MR. GREENBERG: Why don't we take a three-
14 minute break? We'll finish up by 1:30 if not
15 before. Just give me five minutes.

16 (In recess 1:00 p.m. to 1:02 p.m.)

17 BY MR. GREENBERG:

18 Q. Am I correct that Polaroid had a separate
19 retiree medical plan for retirees who were 55 to 65
20 and then a different plan for people who were 65 or
21 over?

22 A. I'm not sure of the form, whether it was
23 one plan or two plans.

24 Q. And that was really my question.

1 A. I don't know the answer.

2 Q. Because we've only gotten one document,
3 which is entitled The Polaroid Retiree Medical Plan
4 Effective October 9, 2001. To the best of your
5 knowledge as chairman of the plan administration
6 committee, is there a separate document for retirees
7 that are under 65 and a separate one for those that
8 are over 65 or is there just one document?

9 A. I don't know the answer.

10 Q. What department at Polaroid is in charge
11 of the documentation of the retiree plans?

12 A. Compensation and benefits.

13 Q. But that's the legal department at
14 Polaroid?

15 A. No, it's the human resources department.

16 Q. Is there a lawyer within that department
17 or a lawyer within general counsel's office who is
18 responsible for assisting that department?

19 A. Yes.

20 Q. Who is that?

21 A. Louise Cavanaugh.

22 MR. GREENBERG: The other thing is, let me
23 just mark this. It's the Polaroid annual return
24 report of employee benefit plan for calendar 2000,

1 it's the Form 5500. We'll mark this as the next
2 exhibit.

3 (Goldman Deposition Exhibit 9 marked for
4 identification.)

5 BY MR. GREENBERG:

6 Q. First of all, do you have any familiarity
7 with Exhibit 9, Mr. Goldman?

8 A. No.

9 Q. Exhibit 9 at least references the name of
10 the plan, it says Polaroid Hospital Surgical Medical
11 Plan and Polaroid Retiree Medical Plan. Do you
12 know, are those two separate plans or are they one
13 plan?

14 A. I don't know.

15 Q. Do you know, are you familiar with the
16 terminology a wrap plan, w-r-a-p?

17 A. No.

18 Q. Do you know if Polaroid maintains or
19 maintained a wrap plan?

20 A. I don't know.

21 Q. With respect to the letter that was sent
22 out that your name was stamped on, were you involved
23 in establishing the protocol for advising retirees
24 of the board's action? You have Exhibit 3 in front

1 of you.

2 A. I'm sorry. I don't understand the
3 question.

4 Q. Did you give anyone instructions
5 concerning sending Exhibit 3 out to retirees?

6 A. No.

7 Q. Was that a subject that you have any
8 knowledge on, as to how that information was
9 disseminated to retirees?

10 A. No.

11 Q. Who made the decision as to how to send
12 this information out?

13 A. I believe Mary Kelly and Louise Cavanaugh
14 did, I believe.

15 Q. Did people at Polaroid actually go to the
16 mailbox and stuff the envelopes and put these
17 letters, Exhibit 3, in the mail to retirees?

18 A. No.

19 Q. What did Polaroid do?

20 A. I'm sorry. I believe we used a third
21 party to mail these notices.

22 Q. When you say a third party, what was the
23 third party you used?

24 A. I don't know.

1 Q. When were they retained?

2 A. I don't know.

3 Q. Were they retained before October 9?

4 A. I don't know.

5 Q. Who was responsible for delivering these
6 letters to this third party?

7 A. Mary Kelly.

8 Q. And did Ms. Kelly know before the board
9 vote that this subject, the termination, was going
10 to be acted on by the board?

11 A. I don't know.

12 Q. The third-party processor that you used
13 was located in Rhode Island?

14 A. I learned that recently.

15 Q. You didn't know it at the time?

16 A. No.

17 Q. Who selected that processor?

18 A. I don't know.

19 Q. Were you surprised to learn they were
20 located in Rhode Island?

21 A. No.

22 Q. Do you know how the notices got from --
23 Strike that. Who actually prepared the envelopes
24 that would go with these letters?

1 A. I don't know.

2 Q. Was there a mailing list that was given to
3 the provider?

4 A. I don't know.

5 Q. Do you know when the letters went out to
6 the retirees?

7 A. No.

8 Q. Have you made any inquiry on that subject?

9 A. No.

10 Q. Has anyone reported to you on that
11 subject?

12 A. I recall being told that the notices were
13 mailed on October 9.

14 Q. Who told you that?

15 A. I believe I heard that from either Mary
16 Kelly or Louise Cavanaugh. I don't recall
17 specifically.

18 Q. Well, how could it be mailed on October 9
19 if the board didn't meet --

20 A. Not mailed. Sorry, I take that back.

21 Q. What did they tell you as to when these
22 notices were mailed to retirees?

23 A. My understanding was that these notices
24 were mailed on October 9. Now, I didn't inquire

1 what "mailed" meant.

2 Q. Does someone have a record of these
3 mailings?

4 A. I don't know.

5 Q. Who told you that they were mailed on
6 October 9?

7 A. I believe Louise Cavanaugh did.

8 Q. So she told you they delivered the
9 envelopes and the letters to Rhode Island and they
10 were stuffed in Rhode Island and then taken to the
11 mailbox all on October 9?

12 A. No.

13 Q. What did she tell you?

14 A. I believe she told me they were mailed on
15 October 9.

16 Q. Prior to the board meeting, the conclusion
17 of the board meeting, did Ms. Cavanaugh have the
18 Exhibit 3? Did she have these form letters signed
19 by you?

20 A. Yes.

21 Q. You had already signed it?

22 MR. SAUNDERS: Object to the form of the
23 question.

24 MR. GREENBERG: Strike that.

1 BY MR. GREENBERG:

2 Q. The letter was in final form. Is that
3 right?

4 A. I believe it was.

5 Q. Had it already been delivered to Rhode
6 Island?

7 A. I don't know.

8 Q. When was your signature affixed to Exhibit
9 3?

10 A. I don't know.

11 Q. Was it prior to October 9?

12 A. Probably.

13 Q. Do you think that Polaroid did anything
14 wrong, notifying the retirees that their benefits
15 were being terminated effective immediately?

16 MR. SAUNDERS: Object to the form of the
17 question.

18 A. Wrong in what sense?

19 Q. Anything wrong. As a human being, do you
20 think they did anything wrong?

21 MR. SAUNDERS: Hold on a second.

22 BY MR. GREENBERG:

23 Q. Do you think they did anything wrong?

24 MR. SAUNDERS: Instruction not to answer.

1 BY MR. GREENBERG:

2 Q. Well, you would agree with the statement
3 that you didn't look out for the best interests of
4 the retirees in your capacity as chairman of the
5 plan committee?

6 MR. SAUNDERS: Object to the form of the
7 question.

8 A. No, I wouldn't.

9 Q. Well, what did you do in August, September
10 or October prior to the bankruptcy filing to try to
11 protect the interests of the Polaroid retirees?

12 MR. SAUNDERS: Object to the form of the
13 question.

14 A. The responsibilities of the fiduciary were
15 to carry out the plan and the fiduciaries carried
16 out the plan while the plan was in effect.

17 Q. But wouldn't you agree with the statement
18 that one of the responsibilities of a fiduciary, if
19 the plan is going to be terminated, is to implement
20 an orderly termination of the plan in a manner which
21 protects the interests of retirees?

22 MR. SAUNDERS: Object to the form of the
23 question.

24 A. No.

1 Q. Did you make any inquiry at any point in
2 time prior to the bankruptcy filing as to what your
3 legal responsibilities were as a plan fiduciary?

4 A. Would you repeat the question?
5 (The reporter read the question.)

6 A. Yes.

7 Q. And with whom did you seek advice?
8 MR. SAUNDERS: Object to the form of the
9 question.

10 A. Gary Ford.

11 Q. When was that?

12 A. I don't recall specifically.

13 Q. What month?

14 A. I don't recall specifically.

15 Q. What did you ask Mr. Ford?

16 MR. SAUNDERS: Object to the form.

17 Instruction not to answer.

18 MR. GREENBERG: On what basis?

19 MR. SAUNDERS: You're asking him for legal
20 advice he received from Mr. Ford.

21 MR. GREENBERG: In his capacity as plan
22 fiduciary. You don't represent the plan. I mean,
23 if you're going to take that position, I asked him
24 specifically in his capacity as plan fiduciary. You

1 guys don't represent the plan.

2 MR. SAUNDERS: Well, I warn you,
3 Mr. Goldman, that there's probably --

4 MR. GREENBERG: If you're going to
5 instruct him, I'm just raising this issue if you are
6 going to instruct him. If you believe you have a
7 valid instruction based on privilege, I just raise
8 the issue, which is that the question had to do with
9 his role as plan fiduciary. If you believe that
10 that is an attorney-client issue where Mr. Ford is
11 apparently giving advice to the plan fiduciary, I
12 mean, it's not my call.

13 MR. SAUNDERS: I agree with you to the
14 extent that I'm not counsel to the plan. I don't
15 have the power to instruct the witness not to answer
16 to protect that plan's privilege. But I can
17 certainly warn the witness of the probable existence
18 of such a privilege and that he ought to act
19 carefully in answering questions about it; and that
20 he ought to consider, independent of my instructing
21 him, he ought to consider whether or not he's got an
22 obligation to refuse to answer questions about legal
23 advice that he received as the plan administrator.
24 BY MR. GREENBERG:

1 Q. Just so we're clear, Mr. Ford is a partner
2 of the Groom Law Group?

3 A. Correct.

4 Q. And that was paid for by Polaroid?

5 A. Correct.

6 Q. Now, you consulted him in your capacity as
7 a plan fiduciary. Is that right?

8 A. I'm not clear in responding whether or not
9 he was advising the company or he was advising the
10 plan administrator. I'm not completely clear in my
11 response.

12 Q. What advice did you seek from him?

13 A. We asked clarification of the role of the
14 plan administrators.

15 Q. Can you be more specific?

16 A. In terms of exercising their fiduciary
17 duties.

18 Q. You asked advice on that?

19 A. Yes.

20 Q. So you specifically wanted advice as it
21 related to the termination?

22 A. No, in general terms.

23 Q. Well, I'm focusing on --
24 MR. SAUNDERS: You didn't tell him you

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1 were focusing on anything. If you want to focus him
2 on it now, please do, but that's not where you were.

3 BY MR. GREENBERG:

4 Q. Focusing on the late summer/early fall of
5 2001, did you seek advice on the subject of the plan
6 fiduciary's obligations as they related to the
7 potential termination of the retiree plans?

8 A. No.

9 Q. Why didn't you seek advice on that
10 subject?

11 A. Because it's not the role of the plan
12 administrator to terminate retiree medical plans.

13 Q. Did someone ever advise you that you had
14 no fiduciary role in connection with implementing
15 the termination of these plans?

16 A. What?

17 Q. Bad question. I withdraw the question.
18 Bad question.

19 Did you ever seek advice as to whether or
20 not you had a fiduciary duty as it related to
21 implementing the termination of the plan?

22 A. The plan administrator did not implement
23 the termination of the plan.

24 Q. Did you seek advice concerning whether or

1 not you should sign Exhibit 3? That's the
2 termination letter.

3 MR. SAUNDERS: Object to the form of the
4 question.

5 A. Whether or not I should sign the letter?

6 Q. Yes, whether or not you should sign the
7 letter. Did you seek advice, legal advice, on that
8 subject?

9 A. I didn't seek legal advice -- I did not
10 seek legal advice as to whether or not I should put
11 my signature to a page.

12 Q. Did you seek legal advice in connection
13 with your notifying retirees in accordance with
14 Exhibit 3?

15 A. Yes.

16 Q. From whom did you seek the advice?

17 A. Groom & Associates.

18 Q. When?

19 A. I don't recall specifically.

20 Q. What month?

21 A. I believe it was October 2001.

22 Q. Did they have a copy of the letter?

23 A. I believe they do.

24 Q. Prior to giving you the advice.

1 A. I believe they saw a draft.

4 MR. SAUNDERS: Instruction not to answer.

6 Q. Who paid their legal fees?

8 Q. And you were seeking advice in what
9 capacity? In what capacity were you seeking advice
10 from them?

12 Q. On behalf of Polaroid?

13 A. Yes.

14 Q. Did you ever seek advice from them in
15 connection with your activities as chairman of the
16 plan administration committee insofar as it related
17 to the termination?

18 A. No.

19 Q. Is it correct, based on your
20 understanding, that if JP Morgan Chase had been
21 willing to fund the retirement benefits in a chapter
22 proceeding, that Polaroid would not have terminated
23 those benefits?

23 those benefits?
24 MR. SAUNDERS: Object to the form of the

1 question.

2 A. Would you repeat the question?

3 Q. Yes. Is it your understanding that if JP

4 Morgan Chase had been willing to fund in a DIP

5 financing budget the cost to provide the

6 continuation of Polaroid retiree benefits, that

7 Polaroid would not have terminated those benefits?

8 MR. SAUNDERS: Object to the form of the

9 question.

10 A. No.

11 Q. That isn't your understanding. Was

12 discussion with JP Morgan Chase a factor in that

13 decision, the decision to terminate the benefits?

14 A. Discussion about what?

15 Q. About what amounts of money they were

16 prepared to fund.

17 A. Yes.

18 Q. The incentive retention payments, were

19 those discussed with JP Morgan Chase prior to the

20 filing?

21 A. No.

22 Q. Were they part of the budget, retention

23 payments, part of the DIP budget?

24 A. I'm sorry, I'm confused. Please start

1 over.

2 Q. There was a DIP budget that was discussed
3 between Polaroid and JP Morgan prior to the filing.
4 Right?

5 A. Correct.

6 Q. And it was agreed upon. Right?

7 A. Yes.

8 Q. And that final budget didn't include
9 retiree benefits. Right?

10 A. Correct.

11 Q. And your understanding or your assumption
12 is that the earlier budget did. Right?

13 A. That an earlier budget, yes.

14 Q. And that somewhere along the line between
15 the earlier budget and the final budget, retiree
16 benefits were eliminated?

17 MR. SAUNDERS: Objection to the form of
18 the question.

19 BY MR. GREENBERG:

20 Q. Right?

21 MR. SAUNDERS: Based on his assumption.

22 A. Yes.

23 Q. Now, in the final budget, was there a
24 budget item for retention payments to key management

1 people?

2 A. Yes.

3 Q. And was that a negotiated item in the DIP
4 budget, as you understand it?

5 A. I don't know.

6 Q. Do you recall what the magnitude of the
7 retention payments were as initially proposed in the
8 initial DIP budget?

9 A. I believe it was \$12 million.

10 Q. Roughly about a year's worth of retirement
11 benefits. Is that right?

12 A. I don't know what the actual dollars are
13 for the retiree medical benefits.

14 Q. But the bank had agreed to that 12-
15 million-dollar item. Right?

16 A. That's my understanding.

17 Q. Now, how many employees roughly were going
18 to get the benefit of that \$12 million?

19 A. I don't recall specifically. Seventy-
20 five, eighty.

21 Q. And how many retirees did Polaroid have as
22 of the Chapter 11 filing?

23 A. I believe in excess of six thousand.
24 MR. GREENBERG: Thank you. I have nothing

1 more.

2 MR. SAUNDERS: Let's go.

3 (Deposition concluded at 1:23 p.m.)

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9 DEPONENT

10

11 Neal D. Goldman

12 by Mr. Greenberg

Page 4

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15 GOLDMAN DEPOSITION EXHIBITS FOR IDENTIFICATION

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17 Exhibit 1 Page 8 Exhibit 2 Page 32

18 Exhibit 3 Page 75 Exhibit 4 Page 82

19 Exhibit 5 Page 89 Exhibit 6 Page 91

20 Exhibit 7 Page 95 Exhibit 8 Page 113

21 Exhibit 9 Page 124

22 (EXHIBITS RETAINED BY COUNSEL)

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DIRECTION OF COUNSEL TO THE WITNESS NOT TO ANSWER

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At page 28, line 14 At page 29, line 2

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At page 29, line 6 At page 58, line 5

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At page 58, line 20 At page 59, line 16

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At page 60, line 10 At page 80, line 21

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At page 87, line 4 At page 87, line 22

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At page 88, line 12 At page 107, line 5

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At page 107, line 13 At page 129, line 24

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At page 131, line 17 At page 136, line 4

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ERRATA SHEET PROCEDURE PAGE 142

14

COURT REPORTER'S CERTIFICATE PAGE 143

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3 I, J. Edward Varallo, RPR, CRR (Registered
4 Professional Reporter, Certified Realtime Reporter),
5 Notary Public in the Commonwealth of Massachusetts,
6 hereby certify that on April 2, 2002, at the time
7 and place specified above, Neal D. Goldman, the
8 deponent herein, was duly sworn by me to testify to
9 the truth and was thereafter examined under oath by
10 counsel.

11 I certify that the questions asked of the
12 deponent and the answers given were taken down by me
13 stenographically and transcribed using computerized
14 translation software; and that the foregoing is a
15 true and accurate transcript thereof.

16 I certify further that I am not counsel,
17 attorney, or relative of any party litigant, nor
18 otherwise interested in the event of this suit.

19

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21

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23

24

DATED: _____

J. Edward Varallo, RPR, CRR
My Commission Expires 01/09/2009